

Exhibit 116

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UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

-----X
In re: PHARMACEUTICAL) MDL No. 1456
INDUSTRY AVERAGE WHOLESALE) CIVIL ACTION
PRICE LITIGATION) No. 01-12257-PBS
-----X

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VIDEOTAPED DEPOSITION OF KARLA KREKLOW

FEBRUARY 7, 2008

CHICAGO, ILLINOIS

Videotaped Deposition of KARLA KREKLOW,
at 77 West Wacker Drive, 35th Floor, Chicago,
Illinois, commencing at 9:00 a.m. on Thursday,
February 7, 2008, before Donna M. Kazaitis, RPR,
CSR No. 084-003145.

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<p style="text-align: right;">Page 6</p> <p>1 P R O C E E D I N G S</p> <p>2</p> <p>3 THE VIDEOGRAPHER: This is Anthony</p> <p>4 Micheletto representing Henderson Legal Services.</p> <p>5 I am the operator of this camera.</p> <p>6 This is the videotaped deposition of</p> <p>7 Karla Kreklow as being taken pursuant to Federal</p> <p>8 Rules of Civil Procedure on behalf of the</p> <p>9 plaintiff.</p> <p>10 We are on the record on February 7,</p> <p>11 2008. The time is 9:25 a.m. as indicated on the</p> <p>12 video screen. We are at the offices of Jones</p> <p>13 Day, 77 West Wacker Drive, Chicago, Illinois.</p> <p>14 The case is captioned In Re</p> <p>15 Pharmaceutical Industry Average Wholesale Price</p> <p>16 Litigation, Case No. 01-12257-PBS.</p> <p>17 Will the attorneys please identify</p> <p>18 themselves for the record.</p> <p>19 MS. ST. PETER-GRIFFITH: Ann St. Peter-</p> <p>20 Griffith from the United States Attorney's</p> <p>21 Office, Southern District of Florida, on behalf</p> <p>22 of the United States.</p>	<p style="text-align: right;">Page 8</p> <p>1 testified as follows:</p> <p>2</p> <p>3 EXAMINATION</p> <p>4 BY MS. ST. PETER-GRIFFITH:</p> <p>5 Q. Good morning, Ms. Kreklow.</p> <p>6 A. Good morning.</p> <p>7 Q. Ma'am, can you tell me what you did to</p> <p>8 prepare for today's deposition?</p> <p>9 A. I met with Jason yesterday for about</p> <p>10 three hours and forty minutes.</p> <p>11 Q. Did you review any documents?</p> <p>12 A. I reviewed my own deposition from June.</p> <p>13 Q. Your transcript from earlier?</p> <p>14 A. Yes.</p> <p>15 Q. Let the record reflect that I've got a</p> <p>16 copy of that in front of you as well as in front</p> <p>17 of your counsel in the event you want to refer to</p> <p>18 anything --</p> <p>19 A. Great.</p> <p>20 Q. -- that you have previously testified</p> <p>21 to. Okay?</p> <p>22 A. Thank you.</p>
<p style="text-align: right;">Page 7</p> <p>1 MR. SISNEROS: Eliseo Sisneros, Deputy</p> <p>2 Attorney General, State of California, on behalf</p> <p>3 of the State of California.</p> <p>4 MR. ANDERSON: Jarrett Anderson,</p> <p>5 counsel for Ven-a-Care.</p> <p>6 MR. WINCHESTER: Jason Winchester for</p> <p>7 Abbott Laboratories.</p> <p>8 THE VIDEOGRAPHER: The Court Reporter</p> <p>9 today is Donna Kazaitis from Henderson Legal</p> <p>10 Services of Washington, D.C. Please swear in the</p> <p>11 witness.</p> <p>12 (Witness sworn.)</p> <p>13 MS. ST. PETER-GRIFFITH: Jason, before</p> <p>14 we get started, during Ms. Kreklow's prior day of</p> <p>15 deposition we were operating under the Texas</p> <p>16 rules. Can we all be in agreement that now we're</p> <p>17 under the federal rules?</p> <p>18 MR. WINCHESTER: Yes.</p> <p>19 MS. ST. PETER-GRIFFITH: Okay.</p> <p>20</p> <p>21 KARLA KREKLOW,</p> <p>22 having been duly sworn, was examined and</p>	<p style="text-align: right;">Page 9</p> <p>1 Q. Ma'am, did you have an opportunity to</p> <p>2 review your transcript?</p> <p>3 A. Yes.</p> <p>4 Q. Is there any testimony in there that</p> <p>5 you would like to either clarify or amplify or</p> <p>6 change before we get started here today?</p> <p>7 A. No.</p> <p>8 Q. Did you review any other documents in</p> <p>9 preparation for your deposition today?</p> <p>10 A. A couple documents I think that we had</p> <p>11 seen last time.</p> <p>12 Q. Which documents?</p> <p>13 A. I can't tell you which ones they were,</p> <p>14 but they were ones that I had previously seen.</p> <p>15 Q. Did you review those with counsel?</p> <p>16 A. Yes.</p> <p>17 MS. ST. PETER-GRIFFITH: Jason, which</p> <p>18 documents are those?</p> <p>19 MR. WINCHESTER: We looked through the</p> <p>20 stuff that had been marked at her prior dep.</p> <p>21 MS. ST. PETER-GRIFFITH: All the</p> <p>22 exhibits?</p>

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1 MR. WINCHESTER: I don't know whether
2 we looked through them all. I had some in a
3 binder, we looked through those. There may have
4 been a couple others.

5 BY MS. ST. PETER-GRIFFITH:

6 Q. Ms. Kreklow, today what I'd like to do
7 is we're going to go over some of the areas where
8 you testified before, but since your last
9 deposition we've also received a large production
10 of additional documents that we didn't have at
11 the time of your first deposition.

12 A. Okay.

13 Q. I'm going to try my best not to rehash
14 a lot of testimony that you had previously
15 testified to before, but there are some areas
16 where your response led me to develop questions
17 that are further in need of amplification.

18 A. Sure.

19 Q. Before we start looking though at
20 documents, what I'd like to ask you, ma'am, is
21 just generally you testified that you were in the
22 Alternate Site business unit from approximately

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1 national account manager, what were your duties
2 and responsibilities?

3 A. We signed up large home infusion
4 companies and provided product with them. We
5 had, well, I was responsible for one group
6 purchasing organization, a GPO, and we were
7 chartered to grow the business. It was
8 relatively new at the time.

9 Q. Okay. And during your tenure from '91
10 to '96, did you help grow the business or did the
11 business grow within Alt. Site?

12 A. It did.

13 Q. How much did it grow?

14 A. I can't tell you for certain.

15 Q. Do you have a -- well, let me ask you -
16 -

17 A. I remember at one point we were \$50
18 million.

19 Q. Sometime during the '91 through '96
20 time frame?

21 A. Uh-huh.

22 Q. Do you remember when you started --

Page 11

1 '91 to '96; is that right?

2 A. Well, I was, yes, that's right, yes.

3 Q. Ma'am, what were your duties and
4 responsibilities when you were in Alternate Site
5 during that time period?

6 A. I was a national account manager, I was
7 marketing manager in product sales. Those two
8 positions were in product sales. Then I went
9 over to Home Infusion, and I was an area business
10 manager, national sales manager, and the
11 operations director.

12 Q. Now, you moved to Home Infusion in '96;
13 is that correct?

14 A. I believe so, yes.

15 Q. What I'd like to concentrate on for
16 right now, we'll move on to Home Infusion in a
17 little bit, is during the period of time that you
18 were marketing manager and national account
19 manager for product sales -- and I assume that's
20 in Alternate Site product sales?

21 A. Correct.

22 Q. Let's start with in your role as a

Page 13

1 MR. WINCHESTER: You have to answer out
2 loud, Karla.

3 THE WITNESS: Oh, I'm sorry. Yes.

4 BY MS. ST. PETER-GRIFFITH:

5 Q. When you started in '91, what level you
6 were at, what dollar volume Alt. Site was at?

7 A. I can give you --

8 MR. WINCHESTER: Can I ask a
9 clarification, if we're talking about revenue or
10 some other number?

11 MS. ST. PETER-GRIFFITH: Fair enough.

12 BY MS. ST. PETER-GRIFFITH:

13 Q. When you said \$50 million before, were
14 you discussing revenue?

15 A. Product sales.

16 Q. Product sales, okay. So \$50 million in
17 product sales?

18 A. Correct.

19 Q. So that would be a gross number then?

20 A. Yes.

21 Q. Do you know what the profit level was
22 at that time?

4 (Pages 10 to 13)

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<p>1 A. I have no idea.</p> <p>2 Q. When you started in '91, do you know</p> <p>3 approximately what the dollar volume in gross</p> <p>4 sales for product sales was?</p> <p>5 A. I don't recall that I knew that.</p> <p>6 Q. Was it substantially less than \$50</p> <p>7 million?</p> <p>8 A. Define "substantially."</p> <p>9 Q. Was it one-fifth, let's say \$10</p> <p>10 million?</p> <p>11 A. I can't, I honestly I don't know. I</p> <p>12 was never given that information.</p> <p>13 Q. Okay. Let me ask it this way then: Do</p> <p>14 you think then that the \$50 million reflects a</p> <p>15 figure that was larger, a growing number, from</p> <p>16 what it was previously when you started?</p> <p>17 A. Yes.</p> <p>18 MR. WINCHESTER: Object to the form.</p> <p>19 BY MS. ST. PETER-GRIFFITH:</p> <p>20 Q. When you say you were chartered to grow</p> <p>21 the business, what did you as a national account</p> <p>22 manager do to help grow the business?</p>	<p>1 and then what?</p> <p>2 A. Then we submitted a request for prices</p> <p>3 from the Hospital Business Sector pricing</p> <p>4 department, and they generated our contracts and</p> <p>5 prices.</p> <p>6 Q. So HBS generated your contracts and</p> <p>7 prices?</p> <p>8 A. Yes.</p> <p>9 Q. Did anyone within Alt. Site have any</p> <p>10 responsibility whatsoever for generating pricing?</p> <p>11 A. No. Not alone, no.</p> <p>12 Q. When you say "not alone," what do you</p> <p>13 mean?</p> <p>14 A. We had input, but we were not, we were</p> <p>15 still dependent on HBS to give approval for any</p> <p>16 pricing that we had.</p> <p>17 Q. Well, did you have, could you ask for</p> <p>18 flexibility in pricing, for example, as a</p> <p>19 national account manager? Could you go to HBS</p> <p>20 and say this isn't going to work, can we talk</p> <p>21 about a better number?</p> <p>22 A. Yes, that's correct.</p>
Page 15	Page 17
<p>1 A. I met with home infusion companies and</p> <p>2 the GPO and signed contracts with them so we</p> <p>3 could provide product for their home infusion</p> <p>4 business.</p> <p>5 Q. Did you negotiate contracts?</p> <p>6 A. Yes, part of the process.</p> <p>7 Q. Well, let me ask you: How did you go</p> <p>8 about negotiating a contract with a particular</p> <p>9 home infusion company or GPO?</p> <p>10 MR. WINCHESTER: Object to the form.</p> <p>11 THE WITNESS: We determined their</p> <p>12 potential volume.</p> <p>13 BY MS. ST. PETER-GRIFFITH:</p> <p>14 Q. How did you do that?</p> <p>15 A. Well, all of these people were in</p> <p>16 business --</p> <p>17 Q. Okay.</p> <p>18 A. -- so they had those figures for us.</p> <p>19 Q. So you got them from the prospective</p> <p>20 clients?</p> <p>21 A. Yes.</p> <p>22 Q. So you determined the potential volume</p>	<p>1 Q. And how often did you do that?</p> <p>2 A. Probably every time I negotiated a</p> <p>3 contract.</p> <p>4 Q. Who did you talk to within HBS to get a</p> <p>5 better number from HBS?</p> <p>6 MR. WINCHESTER: Objection, form.</p> <p>7 THE WITNESS: Different people.</p> <p>8 Analysts, pricing analysts.</p> <p>9 BY MS. ST. PETER-GRIFFITH:</p> <p>10 Q. And who were they?</p> <p>11 A. I can't tell you. There were probably</p> <p>12 fifteen people over there. And it was a constant</p> <p>13 rotation.</p> <p>14 Q. Do you remember any of them?</p> <p>15 A. No.</p> <p>16 Q. Did you work with anyone above the</p> <p>17 contract, the pricing analyst level?</p> <p>18 A. No.</p> <p>19 Q. Did the pricing analysts have full</p> <p>20 authority to make decisions regarding adjustments</p> <p>21 in pricing for your negotiations of these Alt.</p> <p>22 Site contracts?</p>

5 (Pages 14 to 17)

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<p style="text-align: right;">Page 18</p> <p>1 A. No. They did not. They went to their 2 supervisor. 3 Q. Do you know who their supervisor was? 4 A. No. 5 Q. Did you ever go directly to the 6 supervisor, or did you always work through the 7 pricing analysts? 8 A. Only through the analyst. 9 MR. WINCHESTER: Objection to form. 10 Give me just a second before you 11 answer. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. Okay. So you submitted a request for 14 prices to Hospital Business Sector. 15 The information that you got from 16 Hospital Business Sector, was that what you 17 presented to the client, the prospective client, 18 or did you try to negotiate first with HBS before 19 you presented the numbers to the client? 20 MR. WINCHESTER: Objection, form. 21 THE WITNESS: It could have been either 22 instance.</p>	<p style="text-align: right;">Page 20</p> <p>1 A. It was a more expensive price than the 2 Hospital, than a hospital would pay. 3 Q. And how do you know that? 4 A. That's what I was told. 5 Q. By who? 6 A. My boss. 7 Q. Who at the time? 8 A. Mike Sellers. 9 Q. Do you know how much higher than 10 Hospital it was? 11 A. I do not. 12 Q. What factored into your request to 13 Hospital Business Sector to adjust their pricing 14 recommendations? 15 A. The volume of the particular item that 16 would be utilized by the customer. 17 Q. Do you know whether the Hospital 18 Business Sector had a high-low range within which 19 they could work when proposing pricing? 20 A. I do not know. 21 Q. Do you know whether the pricing that 22 was offered for the Alt. Site contracts was the</p>
<p style="text-align: right;">Page 19</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. So did both happen? 3 A. Yes. 4 Q. And then what would happen? 5 A. We would either, if I was still within 6 -- before I had presented to the customer, I 7 would try to negotiate a better price based on 8 the volume of that particular item. Or, if I met 9 with the customer and they brought up a concern 10 over a particular price, I took that information 11 back to Abbott and was either given approval or 12 not. 13 Q. Do you know where or how -- strike 14 that. 15 Do you know how the Hospital Business 16 Sector pricing analysts came up with the pricing 17 that they were suggesting for your Alt. Site 18 contracts? 19 A. No. I do know it was higher than 20 Hospital. 21 Q. When you say "higher than Hospital," 22 what do you mean?</p>	<p style="text-align: right;">Page 21</p> <p>1 catalog pricing for the products? 2 A. I don't know that. 3 Q. When I say "catalog pricing," do you 4 know what I mean? 5 A. What's published in the back of the 6 catalog I would assume. 7 Q. When you say "in the back of the 8 catalog," do you mean in the Abbott pricing 9 catalog? 10 A. Yes. 11 Q. Do you know whether at any time when 12 you were offering pricing to the Alt. Site 13 customers from this '91 through '96 time frame 14 did you ever offer catalog prices? 15 A. I can't tell you if one particular item 16 or more were priced at catalog. 17 I can tell you that sometimes customers 18 would call, they would not have a contract, and 19 then their price would be catalog price. 20 Q. Would you expect then that if someone 21 had a contract, that their pricing would be lower 22 than catalog price?</p>

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<p style="text-align: right;">Page 22</p> <p>1 A. Yes.</p> <p>2 MR. WINCHESTER: Objection, form.</p> <p>3 BY MS. ST. PETER-GRIFFITH:</p> <p>4 Q. Do you know how much lower than catalog</p> <p>5 price, what percentage lower?</p> <p>6 A. No.</p> <p>7 MR. WINCHESTER: Objection, form.</p> <p>8 BY MS. ST. PETER-GRIFFITH:</p> <p>9 Q. Did you ever deal with any customers</p> <p>10 who called in seeking to purchase product who did</p> <p>11 not have contracts?</p> <p>12 A. Yes.</p> <p>13 Q. How often would you do that?</p> <p>14 MR. WINCHESTER: Objection, form. Time</p> <p>15 frame.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. I'm sorry. For the '91 to '96 time</p> <p>18 frame.</p> <p>19 A. How often did I do that? It wasn't</p> <p>20 very common.</p> <p>21 Q. Can you during this '91 through '96</p> <p>22 time frame estimate approximately how many sales</p>	<p style="text-align: right;">Page 24</p> <p>1 Q. Let's start then with what you do know.</p> <p>2 A. Okay.</p> <p>3 Q. For the customers that you were working</p> <p>4 with, what percentage of the Alt. Site customers</p> <p>5 had contracts?</p> <p>6 A. I would say ninety-nine percent because</p> <p>7 if they didn't have a contract, I didn't call on</p> <p>8 them.</p> <p>9 Q. Now, when you were negotiating pricing</p> <p>10 with the Alt. Site customers that you worked</p> <p>11 with, did they ever discuss with you what factors</p> <p>12 factored into their decision making for deciding</p> <p>13 upon whether or not to sign up a contract?</p> <p>14 A. They wanted the lowest price.</p> <p>15 Q. They wanted the lowest price. Anything</p> <p>16 else?</p> <p>17 A. No.</p> <p>18 Q. Did their or their customers' ability</p> <p>19 to seek reimbursement from any third-party payor,</p> <p>20 to your knowledge, ever factor into a decision to</p> <p>21 sign a contract for Alt. Site, with Alt. Site?</p> <p>22 MR. WINCHESTER: Objection, form.</p>
<p style="text-align: right;">Page 23</p> <p>1 were made to Alt. Site customers at contract</p> <p>2 price, or I'm sorry, at catalog price versus</p> <p>3 another price?</p> <p>4 A. I wouldn't know that.</p> <p>5 Q. Can you identify any range as to what</p> <p>6 percentage it might be?</p> <p>7 A. A smaller percent than had contracts,</p> <p>8 but I can't tell you what the percentages would</p> <p>9 be.</p> <p>10 Q. Do you know what percentage of Alt.</p> <p>11 Site customers during this contract, during this</p> <p>12 '91 to '96 time period, actually had contracts?</p> <p>13 A. Would you repeat the beginning of your</p> <p>14 sentence?</p> <p>15 Q. Sure. Let me rephrase it.</p> <p>16 During the '91 through '96 time frame</p> <p>17 when you were in Alt. Site, do you know what</p> <p>18 percentage of Alt. Site customers had contracts?</p> <p>19 A. I don't know for certain. There were</p> <p>20 two people in my role.</p> <p>21 Q. Okay. Who was the other person?</p> <p>22 A. Doug McGill.</p>	<p style="text-align: right;">Page 25</p> <p>1 THE WITNESS: That was never discussed</p> <p>2 with me.</p> <p>3 BY MS. ST. PETER-GRIFFITH:</p> <p>4 Q. Would it have been important for you in</p> <p>5 Alt. Site to understand how your customers or</p> <p>6 their end user customers were ultimately</p> <p>7 reimbursed for Abbott product?</p> <p>8 A. No.</p> <p>9 MR. WINCHESTER: Objection, form,</p> <p>10 speculation.</p> <p>11 BY MS. ST. PETER-GRIFFITH:</p> <p>12 Q. Why not?</p> <p>13 A. We were only concerned with selling</p> <p>14 product to them. We weren't privy to their</p> <p>15 business.</p> <p>16 Q. Did you have an understanding as to how</p> <p>17 your clients or the ultimate, their clients, were</p> <p>18 reimbursed by third-party payors?</p> <p>19 A. Not at that time.</p> <p>20 Q. When did you come to have an</p> <p>21 understanding as to how they were reimbursed?</p> <p>22 A. When I went to Home Infusion.</p>

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1 Q. And you don't think it would have been
2 important -- or do you think it would have been
3 important for you to have an understanding as to
4 how your Alt. Site customers or their customers
5 were reimbursed by third-party payors?
6 MR. WINCHESTER: Objection, asked and
7 answered.
8 THE WITNESS: I did not believe it to
9 be important.
10 BY MS. ST. PETER-GRIFFITH:
11 Q. Why not?
12 MR. WINCHESTER: Objection, asked and
13 answered.
14 THE WITNESS: Because it had nothing to
15 do with us selling product.
16 BY MS. ST. PETER-GRIFFITH:
17 Q. Okay. After you presented the pricing
18 from or the presented the contract or your
19 proposed contract with the pricing to your Alt.
20 Site customers, what was the next step in the
21 negotiation process?
22 A. Presuming they signed it.

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1 Q. Okay.
2 A. We would take it back and it would be
3 recorded and loaded with the wholesalers and the
4 GPOs, and then I was in the maintenance mode.
5 Q. Let's break that down a little bit.
6 When you say "loaded," what do you
7 mean?
8 A. Put into the Abbott customer service
9 computer system that has prices for all the
10 customers that have contracts.
11 Q. Do you know what server that was on?
12 A. I have no idea.
13 Q. If you needed to, could you access it
14 on the computer?
15 A. No.
16 Q. Who could?
17 A. Customer service.
18 Q. Was that Alt. Site customer service?
19 A. No. Well, not at that time, no.
20 Q. Which customer service?
21 A. Customer service, corporate customer
22 service. Those were the people that our

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1 customers called to place orders.
2 Q. When you say "corporate customer
3 service," I don't think I know what you mean.
4 What do you mean?
5 A. I can't tell you now that I say, well,
6 we refer to it as corporate customer service. It
7 might have been Hospital Products Division
8 customer service. I don't know. But there was
9 half of a floor in a building that had people
10 that answered the phone. They were the customer
11 service group that customers talked to to place
12 orders.
13 Q. And where was that half floor of people
14 located?
15 A. AP-30.
16 Q. And was that the same area or that's
17 the same building where Hospital Products
18 Division was located?
19 A. Yes.
20 Q. Do you know who managed the customer
21 service corporate or HPD customer service?
22 A. No.

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1 Q. Okay. Now, you said it was put into,
2 after it was loaded in you went into maintenance
3 mode. Is that what you said?
4 A. Yes.
5 Q. What do you mean by that?
6 A. If we had a new product, we would add
7 it to the customer's contract. We would call
8 them, visit them, make sure that they were happy.
9 We would go to shows, like consultant pharmacy
10 meetings and meet with customers there.
11 Q. When you say "make sure they were
12 happy," what do you mean by that? How did you
13 make sure the customers were happy?
14 A. Well, they had a contact.
15 Q. Okay.
16 A. That always makes people happy.
17 Q. Were you the contact?
18 A. For the customers that I signed the
19 contracts for, yes.
20 Q. And what types of issues did they
21 contact you about?
22 MR. WINCHESTER: Objection, form.

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<p style="text-align: right;">Page 30</p> <p>1 THE WITNESS: Could be returns, product 2 returns. They could have ordered the wrong 3 product and wanted to have that returned. So I 4 had to approve that. They might need training on 5 infusion devices, things like that. 6 BY MS. ST. PETER-GRIFFITH: 7 Q. Okay. Let me backtrack to the issue of 8 you indicated that you had Home Infusion clients 9 in one GPO. 10 Let's start with the GPO. Who was the 11 GPO that you worked with? 12 A. Pharmaceutical Buyers, Incorporated. 13 Q. Is that commonly known as PBI? 14 A. Yes, it is. 15 Q. Was that a large account? 16 A. It was for us at that time, yes. 17 Q. When you say "for us," you mean Alt. 18 Site? 19 A. Yes. 20 Q. Was that the largest account within 21 Alt. Site? 22 A. I can't tell you if it was or not.</p>	<p style="text-align: right;">Page 32</p> <p>1 A. If the price in the market goes down 2 because there are several other manufacturers 3 that make the same thing, the price would 4 normally go down. 5 Q. Did you experience that a lot? 6 MR. WINCHESTER: Objection, form. 7 THE WITNESS: It was an ongoing 8 process. 9 BY MS. ST. PETER-GRIFFITH: 10 Q. What types of products were susceptible 11 to adjustments based upon market changes? 12 MR. WINCHESTER: Objection, form. 13 THE WITNESS: Really all products. 14 BY MS. ST. PETER-GRIFFITH: 15 Q. What other involvement did you have in 16 renegotiating the PBI contract? 17 A. That's it. 18 Q. Who else participated in that 19 renegotiation with you? 20 A. People at PBI. 21 Q. Who specifically at PBI? 22 A. Well, it was various people. As they</p>
<p style="text-align: right;">Page 31</p> <p>1 They were our first GPO that we signed. 2 Q. Were you involved in getting them 3 signed up? 4 A. I was involved in renegotiating their 5 contracts. 6 Q. Can you take me through -- well, first, 7 did you sign the contracts with PBI? 8 A. No. 9 Q. Who did? 10 A. Mike Sellers. 11 Q. What was your involvement in 12 renegotiating the contract with PBI? 13 A. Again, looking at their volume, looking 14 at which products their customers purchased most 15 often, adjusted any prices if necessary based on 16 market. And they would sign up for us one year 17 at a time, and then eventually they signed up two 18 years at a time. So that was part of the 19 negotiation. 20 Q. When you say you adjusted prices based 21 upon market, can you elaborate? What do you mean 22 by that?</p>	<p style="text-align: right;">Page 33</p> <p>1 received more, they grew. 2 Q. Anyone else within Abbott that worked 3 with you on the renegotiation with PBI? 4 A. Mike Sellers and I conferred. 5 Q. Did you work with anyone within 6 Hospital Business Sector contract marketing? 7 A. To generate the price list and 8 contracts, yes. 9 Q. And they would have to generate that as 10 part of the renegotiation? 11 A. Yes. 12 Q. How often did you renegotiate with PBI? 13 Was it on this annual basis except when they 14 converted to two-year contracts? 15 MR. WINCHESTER: Objection, form. 16 THE WITNESS: Yes. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Do you remember when they converted to 19 two-year contracts? 20 A. I think it was two or three years after 21 I had assumed that national account manager 22 position.</p>

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<p style="text-align: right;">Page 34</p> <p>1 Q. Did you work with them prior to 2 assuming the NAM position? 3 A. No. 4 Q. Who were the other home infusion 5 companies or businesses that you worked with when 6 you were a NAM within Alt. Site? 7 A. I think one was called Infusion Care, 8 Home Medco. They're not in business anymore. 9 It's hard for me to remember. 10 Q. Well, I understand this is a memory 11 exercise, but I'm trying to exhaust what you do 12 remember. 13 A. Sure. I'm thinking. 14 Q. Okay. Take your time. 15 A. Just going through the states in my 16 head trying to find them. That's all I can think 17 of. 18 Q. Where was Home Medco based out of? Do 19 you recall? 20 A. I believe California. 21 Q. And Infusion Care? 22 A. Same.</p>	<p style="text-align: right;">Page 36</p> <p>1 infusion devices. That was our big push. 2 Another time we had a new product 3 called LifeShield. We went in and introduced all 4 of the LifeShield products. 5 Q. What were the LifeShield products? 6 A. They were parts of, well, in a nutshell 7 it was a needle with a shield around it so people 8 wouldn't get stuck. This was at the time when 9 people weren't as careful as they are now about 10 needles and used needles. 11 So we developed that product, and other 12 companies developed their own. 13 Q. Do you recall who you went along on 14 this ride-along with? 15 A. It was in California. It was whatever 16 her name was, she was in LA. 17 Q. Do you recall which clients you called 18 upon? 19 A. No. 20 Q. Do you recall any names of any of the 21 Alt. Site product sales sales reps? 22 A. Jack Miller, Frank Ginardi. There was</p>
<p style="text-align: right;">Page 35</p> <p>1 Q. How large were these accounts -- 2 MR. WINCHESTER: Objection, form. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. -- relative to other accounts within 5 Alt. Site? 6 A. I can't tell you that because I can't 7 remember who the other accounts were. 8 Q. Okay. At any given time from '91 to 9 '96, do you recall how many accounts you were 10 working on? 11 A. Possibly a dozen. 12 Q. Did you work with any Alt. Site field 13 sales reps during your course of working with 14 these dozen or so clients? 15 A. Occasionally I would work with the 16 sales rep and just do what we call a ride-along, 17 just work with them for a day as they went into a 18 facility. It could or could not be one of my 19 customers. It didn't really matter. 20 Q. What took place during these ride- 21 alongs? 22 A. Normally we would try to sell them</p>	<p style="text-align: right;">Page 37</p> <p>1 another woman in California named Debbie, but I 2 don't remember her last name. That's all I can 3 think of. 4 They had very big territories at that 5 time. Jack Miller, for example, was in 6 Springfield and he called on Chicago and 7 Milwaukee. 8 Q. Anyone else that you can think of? I'm 9 just trying to exhaust your memory on the Alt. 10 Site sales reps. 11 A. Not at this time. 12 Q. If any names pop into your head, feel 13 free to let us know. 14 A. I will. I will. That usually happens. 15 Q. Okay. What other responsibilities did 16 you have -- well, let me ask you, were your 17 contract negotiations with the home infusion 18 companies like Infusion Care, Home Med, similar 19 in nature to what you described for PBI? 20 A. Yes. 21 Q. Were there any distinctions between a 22 group purchasing organization and negotiating</p>

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<p style="text-align: right;">Page 38</p> <p>1 with a GPO versus negotiating with a home 2 infusion company? 3 A. Just the volume, the dollar volume that 4 would be generated. 5 Q. I assume that the GPO had a larger 6 dollar volume? 7 A. Yes. 8 Q. Do you recall during this period of 9 time what PBI's dollar volume was of business 10 under the Alt. Site contract? 11 MR. WINCHESTER: Objection, form. 12 THE WITNESS: During the time I was 13 there? 14 BY MS. ST. PETER-GRIFFITH: 15 Q. Yes. 16 A. I do remember them at \$1 million at 17 some point in time. 18 Q. Do you recall whether that was when you 19 were the NAM on their account? 20 A. Yes. 21 Q. So that would have been sometime 22 between '91 through '96?</p>	<p style="text-align: right;">Page 40</p> <p>1 Q. Other than your assistant, anyone else? 2 A. When I was national accounts, no. 3 Q. Is there any other responsibility that 4 you can think of that you had when you were a 5 NAM? I just want to exhaust your memory on this. 6 A. No. 7 Q. Did you have any other involvement with 8 regard to pricing or setting pricing during your 9 tenure as a NAM? 10 A. No. 11 Q. Now, you transitioned in '96 to the 12 Home Infusion business unit. 13 A. Yes. 14 Q. Relative to Alt. Site, how large was 15 the Home Infusion business unit when you 16 transitioned there? 17 A. People-wise, it was probably the same 18 if you look at our field salespeople. They were 19 larger inside Abbott. 20 Q. Home Infusion was larger inside Abbott? 21 A. Yes. 22 Q. Was there ever a time when Home</p>
<p style="text-align: right;">Page 39</p> <p>1 A. Yes. 2 Q. Would that be a big account -- 3 A. Yes. 4 Q. -- for Alt. Site? 5 A. Yes. 6 Q. What other responsibilities did you 7 have when you were a national account manager? 8 A. We would go to shows, like I mentioned, 9 the American Society of Consultant Pharmacists, 10 and I would man the booth. That was it. I had 11 half the country. 12 Q. As a national account manager? 13 A. Yes. 14 Q. Okay. Can you think of anyone else who 15 you worked with in your capacity as a national 16 account manager in fulfilling your 17 responsibilities? 18 A. Inside Abbott? 19 Q. Yes, or inside Hospital Products 20 Division. Let's start there. 21 A. Yes, anyone in Abbott. Only our 22 assistant.</p>	<p style="text-align: right;">Page 41</p> <p>1 Infusion became smaller with inside? 2 A. Oh, definitely. 3 Q. Was that during your tenure within Home 4 Infusion? 5 A. Yes. 6 Q. From a dollar volume standpoint, dollar 7 volume of business, do you know when you 8 transitioned over in '96 what the difference was 9 between Alt. Site and Home Infusion? 10 A. No. That number was not shared with 11 me. 12 Q. Who would know that? 13 A. Mike Sellers. 14 Q. Did you have any sense as to whether or 15 not from a dollar volume standpoint one business 16 unit was larger than another? 17 A. No. Plan numbers were not shared with 18 anyone except the general manager. 19 Q. When you say "plan numbers," what do 20 you mean? 21 A. What their dollar sales would be, 22 annual dollar sales.</p>

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<p style="text-align: right;">Page 42</p> <p>1 Q. Do you know who that would be shared 2 with other than the general managers? 3 A. The president of the division and the 4 controller. 5 Q. And when you say "the controller," do 6 you mean the controller of Abbott? 7 A. No, of Hospital Products Division. 8 Q. And when you say "the president of the 9 division," you mean the president of Hospital 10 Products? 11 A. HPD. 12 Q. During your tenure within HPD, who were 13 those presidents? 14 A. Chris Kringle, John Kringle is his 15 name, Rick Gonzalez. During my tenure in Home 16 Infusion; correct? 17 Q. Yes, no, well, at any time. 18 A. At any time. And Chris Begley. 19 Q. Do you know why the plan dollars would 20 be shared with the presidents of these divisions? 21 MR. WINCHESTER: Objection, form, 22 speculation.</p>	<p style="text-align: right;">Page 44</p> <p>1 comments were or learning about what their 2 comments were? 3 A. They always wanted to know when we were 4 going to get new models for our devices. They 5 wanted updates on large customers, and especially 6 if we did not have device sales they wanted to 7 know how we could get device sales. 8 Q. Were those requests communicated to 9 you? 10 A. At various -- I'm talking product 11 sales; right? 12 Q. Anything, but we can compartmentalize 13 it if you'd like to. 14 A. Okay. 15 Q. Let's start with Alt. Site product 16 sales. 17 A. Yes. At one point in time I was 18 responsible for infusion devices when we acquired 19 a company. 20 Q. Oh, okay. Let's go back then. 21 A. Okay. 22 Q. Did you have any other responsibilities</p>
<p style="text-align: right;">Page 43</p> <p>1 THE WITNESS: They were responsible for 2 total divisional sales and reporting that to the 3 corporation. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. Do you know whether the presidents had 6 input in the direction of the various business 7 units within Hospital Products Division? 8 MR. WINCHESTER: Objection, form. 9 THE WITNESS: "Direction" meaning? 10 BY MS. ST. PETER-GRIFFITH: 11 Q. Meaning, you know, decision making 12 concerning whether or not to expand a particular 13 business or for Home Infusion input into the 14 business models for Home Infusion, for example? 15 MR. WINCHESTER: Objection, form. 16 THE WITNESS: I don't know about the 17 business models because those were all in place 18 before I came over. 19 They obviously would comment when the 20 plan numbers were discussed with them. 21 BY MS. ST. PETER-GRIFFITH: 22 Q. Do you recall what some of their</p>	<p style="text-align: right;">Page 45</p> <p>1 when you were within Alt. Site that we didn't 2 discuss? 3 A. That was part of my marketing 4 responsibility. 5 Q. And what did you do with regard to 6 marketing for this particular line? 7 A. For the devices? 8 Q. For the devices. 9 A. I met with the people in the newly- 10 acquired company and worked on specs with them in 11 the development of new devices. 12 Q. What was the newly-acquired company? 13 A. Pancretec. 14 Q. Can you spell that? 15 A. P-A-N-C-R-E-T-E-C. 16 Q. What was the device? 17 A. An ambulatory infusion device, which 18 means a small pump for patients at home. 19 Q. Was that the AIM? 20 A. It was the predecessor for the AIM. 21 Q. Do you recall what the model was at the 22 time of the acquisition?</p>

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<p style="text-align: right;">Page 46</p> <p>1 A. I will change my answer. It was the 2 AIM. The ANNE was what came later. 3 Q. Can you spell ANNE? 4 A. A-N-N-E. 5 Q. Well, that's a good name. 6 Were you involved in developing, in the 7 transition of this particular pump model, from 8 the AIM to the ANNE? 9 A. I was not. 10 Q. Were you just involved then with the 11 marketing for this product? 12 A. Yes. I never marketed the ANNE. That 13 was an anesthesia product. Anesthesia was not 14 used in home infusion. 15 Q. Would that have been someone within the 16 Hospital Products Division who took that? 17 A. Yes. 18 Q. Do you recall who that was? 19 A. I don't. 20 Q. Okay. Now, was it your recollection 21 that the division president had an interest in 22 this particular device or devices that you were</p>	<p style="text-align: right;">Page 48</p> <p>1 Q. But he did take some interest? 2 A. All the products, he took interest in 3 all the products because they were all involved 4 in sales. He didn't specifically call out any 5 products. He was just concerned about, for 6 example, the S&E line. 7 Q. When you say "S&E," do you mean 8 solutions and equipment? 9 A. Yes. 10 Q. Let me ask you whether the following 11 products were involved with your solutions and 12 equipment. 13 A. Okay. 14 Q. Dextrose? 15 A. Yes. 16 Q. Sodium chloride? 17 A. Yes. 18 Q. Sterile water? 19 A. Yes. 20 Q. Acyclovir? 21 A. Yes, but that wasn't available to me 22 when I was in products sales.</p>
<p style="text-align: right;">Page 47</p> <p>1 responsible for marketing within Alt. Site? 2 A. Yes. 3 Q. Which president was it at that time? 4 A. Chris Kringle. 5 Q. And what was your recollection of 6 either his interest in the device marketing or 7 your responsibilities in terms of getting 8 information to him concerning the device 9 marketing? 10 MR. WINCHESTER: Objection to form. 11 THE WITNESS: He was, I can't tell you 12 if he was the only person, I doubt that he was, 13 but he was key in getting approval from the 14 corporation to purchase Pancretac. 15 BY MS. ST. PETER-GRIFFITH: 16 Q. Okay. Any other involvement? 17 A. Just the general number update, dollar 18 sales update, so he knew he made a good decision. 19 Q. Did he take any other interest in any 20 other product lines or products within Alt. Site 21 product sales? 22 A. Not to the same degree.</p>	<p style="text-align: right;">Page 49</p> <p>1 Q. What about vancomycin? 2 A. Yes. 3 Q. Did I say saline? Was that part of -- 4 A. That's sodium chloride. 5 Q. Why did he have concern? You used the 6 word "concern." 7 MR. WINCHESTER: Objection, 8 mischaracterizes, and it's calling for 9 speculation. 10 THE WITNESS: An interest. 11 BY MS. ST. PETER-GRIFFITH: 12 Q. Why did he have an interest? 13 MR. WINCHESTER: Same objection. 14 THE WITNESS: Because it was a good 15 part of our sales. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. What part of your sales? 18 A. Percentage-wise? 19 Q. Yes, for Alt. Site, during your tenure. 20 A. Half. 21 Q. Did you communicate directly with Mr. 22 Begley? Do you recall?</p>

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<p>1 A. I did communicate, yes.</p> <p>2 Q. What do you recall about your</p> <p>3 communications with Mr. Begley?</p> <p>4 A. We talked about the shutdown of Home</p> <p>5 Infusion.</p> <p>6 Q. So that was much later than your tenure</p> <p>7 as a NAM?</p> <p>8 A. Correct.</p> <p>9 Q. Let's go to that. What do you recall</p> <p>10 about your conversations with Mr. Begley about</p> <p>11 the shutdown of Home Infusion?</p> <p>12 A. We updated him on which customers,</p> <p>13 which clients, were transitioned to product sales</p> <p>14 contracts. And we updated him on our progress in</p> <p>15 placing our people to new positions.</p> <p>16 Q. Were you able to place everybody?</p> <p>17 A. Ninety-nine percent.</p> <p>18 Q. Were you able to place Bruce Rodman?</p> <p>19 A. No.</p> <p>20 Q. How come?</p> <p>21 A. He chose to retire.</p> <p>22 Q. When you say "progress in placing," do</p>	<p>1 "president," do you mean president of HPD?</p> <p>2 A. Yes.</p> <p>3 Q. Do you know who played the ultimate</p> <p>4 decision to shut down Home Infusion?</p> <p>5 A. I was never told.</p> <p>6 Q. In your experience with this company,</p> <p>7 would that have been a decision that could have</p> <p>8 been made by Mr. Sellers alone?</p> <p>9 A. No.</p> <p>10 MR. WINCHESTER: Objection,</p> <p>11 speculation.</p> <p>12 BY MS. ST. PETER-GRIFFITH:</p> <p>13 Q. Would that have been a decision that</p> <p>14 would have been made by Mr. Robertson alone?</p> <p>15 MR. WINCHESTER: Objection,</p> <p>16 speculation.</p> <p>17 THE WITNESS: I can tell you that major</p> <p>18 decisions had final approval from our president.</p> <p>19 BY MS. ST. PETER-GRIFFITH:</p> <p>20 Q. The president of the division?</p> <p>21 A. Yes.</p> <p>22 Q. Would you consider the closure of Home</p>
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<p>1 you mean in other areas within Abbott?</p> <p>2 A. Yes.</p> <p>3 Q. Any other conversations that you can</p> <p>4 recall with Mr. Begley about the shutdown of Home</p> <p>5 Infusion?</p> <p>6 A. No.</p> <p>7 Q. We're going to leap ahead. We'll come</p> <p>8 back to what we were discussing before.</p> <p>9 But while we're on the topic, why did</p> <p>10 Home Infusion shut down?</p> <p>11 A. I was never told directly, but from</p> <p>12 what I heard, I shouldn't say, by "told" I mean I</p> <p>13 was not involved in any of the meetings</p> <p>14 concerning the shutdown.</p> <p>15 Q. Okay. Let's stop right there.</p> <p>16 A. Okay.</p> <p>17 Q. Who was involved in the meetings about</p> <p>18 the shutdown?</p> <p>19 A. I assume Mike Sellers, Don Rodman, or</p> <p>20 Don Robertson, who the president was at the time.</p> <p>21 Q. Do you know who made the ultimate</p> <p>22 decision to shut down -- when you say</p>	<p>1 Infusion, which was a business unit within the</p> <p>2 Hospital Products Division, to be a major</p> <p>3 decision?</p> <p>4 A. Yes.</p> <p>5 Q. Would you have expected that it would</p> <p>6 have been the type of decision that the president</p> <p>7 of HPD would have made?</p> <p>8 A. Yes.</p> <p>9 MR. WINCHESTER: Objection,</p> <p>10 speculation.</p> <p>11 BY MS. ST. PETER-GRIFFITH:</p> <p>12 Q. At the time that the decision was made</p> <p>13 to close down Home Infusion, was Mr. Robertson</p> <p>14 still with HPD?</p> <p>15 A. Yes, he was.</p> <p>16 Q. Now, let's go back to your knowledge of</p> <p>17 the decision to close Home Infusion.</p> <p>18 What did you understand was the reason</p> <p>19 why Home Infusion was closed?</p> <p>20 A. Our dollar volume did not warrant</p> <p>21 divisional investment.</p> <p>22 Q. Do you know what the dollar volume was</p>

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<p style="text-align: right;">Page 54</p> <p>1 at the time that the decision was made?</p> <p>2 A. I do not.</p> <p>3 Q. During your tenure within the Home</p> <p>4 Infusion business unit, did the Home Infusion</p> <p>5 business unit experience growth based upon your</p> <p>6 experience, or did it experience a decline in</p> <p>7 business?</p> <p>8 A. Decline.</p> <p>9 Q. Do you recall the nature of the volume</p> <p>10 of the decline?</p> <p>11 A. No.</p> <p>12 Q. Do you know why it declined?</p> <p>13 A. Are you talking the whole time I was</p> <p>14 there?</p> <p>15 Q. Yes.</p> <p>16 A. Because we were transitioning our</p> <p>17 customers. We were no longer going to be</p> <p>18 supporting them.</p> <p>19 So in answer to your other question,</p> <p>20 the dollar volume went down to zero.</p> <p>21 Q. But why was a decision made to</p> <p>22 transition your customers?</p>	<p style="text-align: right;">Page 56</p> <p>1 enough for the division to make an investment in</p> <p>2 us.</p> <p>3 BY MS. ST. PETER-GRIFFITH:</p> <p>4 Q. Was that because you were experiencing</p> <p>5 a decline, because Home Infusion was declining in</p> <p>6 terms of its business?</p> <p>7 MR. WINCHESTER: Objection,</p> <p>8 speculation, form.</p> <p>9 THE WITNESS: I can't state if it was</p> <p>10 because we were experiencing a decline. We were</p> <p>11 just not large enough.</p> <p>12 BY MS. ST. PETER-GRIFFITH:</p> <p>13 Q. Was a similar evaluation made, to your</p> <p>14 knowledge, of the Alt. Site products division?</p> <p>15 A. Not to my knowledge.</p> <p>16 Q. When you joined Home Infusion, was it</p> <p>17 your experience that Home Infusion was larger</p> <p>18 than Alt. Site?</p> <p>19 MR. WINCHESTER: Objection, form.</p> <p>20 THE WITNESS: Only in, well, people</p> <p>21 were about the same. I didn't have, I wasn't</p> <p>22 privy to their total sales numbers.</p>
<p style="text-align: right;">Page 55</p> <p>1 A. So we could continue to supply product</p> <p>2 to them.</p> <p>3 Q. When you say so you could continue to</p> <p>4 supply product, what do you mean?</p> <p>5 A. We would transition them over to</p> <p>6 Alternate Site product sales --</p> <p>7 Q. Oh, I see.</p> <p>8 A. -- and then they would sell them the</p> <p>9 product.</p> <p>10 Q. But why was the decision made to</p> <p>11 transition these clients to Alt. Site? Why</p> <p>12 didn't you just keep them under the Home Infusion</p> <p>13 business model?</p> <p>14 MR. WINCHESTER: Objection,</p> <p>15 speculation, form.</p> <p>16 THE WITNESS: Because we were going out</p> <p>17 of business.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. Why were you going out of business?</p> <p>20 MR. WINCHESTER: Objection, asked and</p> <p>21 answered.</p> <p>22 THE WITNESS: Because we weren't large</p>	<p style="text-align: right;">Page 57</p> <p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. At the time that a decision was made to</p> <p>3 close the Home Infusion business unit, to your</p> <p>4 knowledge what was the state of business within</p> <p>5 Alt. Site? Was it declining? Was it growing?</p> <p>6 A. Alternate Site product sales?</p> <p>7 Q. Alternate Site product sales, yes.</p> <p>8 A. It was continuing to grow.</p> <p>9 Q. Continuing to grow, okay.</p> <p>10 And ultimately at some point did</p> <p>11 Alternate Site product sales merge into HBS?</p> <p>12 A. No.</p> <p>13 Q. Are you familiar with the spin of the</p> <p>14 Hospital Products Division into a company called</p> <p>15 Hospira?</p> <p>16 A. I know it happened, and I know how I</p> <p>17 was affected.</p> <p>18 Q. Okay. Can you explain?</p> <p>19 A. How I was affected?</p> <p>20 Q. Yes. How were you affected?</p> <p>21 A. I was retained by Abbott.</p> <p>22 Q. At the time of the spin, was there a</p>

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<p style="text-align: right;">Page 58</p> <p>1 separate business unit within Hospital Products 2 Division known as Alternate Site? 3 A. Yes. 4 Q. Who oversaw the Alternate Site business 5 unit during that time period? 6 A. At the time of the spin? 7 Q. Yes. 8 A. Shaun O'Donnell. 9 Q. What was your role, if any, in the 10 Hospira spin? 11 A. None. 12 Q. When did you learn about it? 13 A. I learned about it when the public 14 learned about it. 15 Q. Was it a surprise to you? 16 A. Very much so. 17 Q. Do you know why the decision was made? 18 A. I do not know. 19 Q. Were you assigned any tasks associated 20 with helping transition the spin? 21 A. No. 22 Q. Had it basically occurred or the public</p>	<p style="text-align: right;">Page 60</p> <p>1 time of the spin? 2 A. My job stayed the same. 3 Q. Okay. 4 A. We went into a different division. 5 Q. Was that PPD? 6 A. Yes. 7 Q. Did you retain all of the same 8 responsibilities? 9 A. Yes. 10 Q. Did you discuss with anyone your 11 surprise as to the spin? 12 MR. WINCHESTER: Let me just register 13 an objection here. I'll give you a little leeway 14 with it, but I would object to all this stuff as 15 being outside of the time frame as affirmed by 16 the court for discovery in this case. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Go ahead. You can answer the question. 19 A. Ruth and Bob. 20 Q. What did you discuss with them? 21 A. It was like, wow. 22 Q. Were you disappointed?</p>
<p style="text-align: right;">Page 59</p> <p>1 announcement had been made and then it 2 transpired? One day you're at HPD and then the 3 next day there's Hospira? 4 A. Exactly. 5 Q. How did you learn that you would be 6 retained by Abbott? 7 A. The three area directors had a call 8 with our vice president that morning, the morning 9 of the announcement. 10 Q. Who were the three area directors? 11 A. Me, Shirley Beyer -- oh, no. I'm 12 sorry. I'm going back to another job. 13 Q. Okay. 14 A. Bob Satterlee and Ruth Abdulmassih. 15 Q. Where did Bob and Ruth go? Were they 16 also retained by Abbott? 17 A. Yes. 18 Q. So it must have come as a bit of a 19 shock to you that you were going to have a job 20 change. 21 A. Very much so. 22 Q. What did your job transition to at the</p>	<p style="text-align: right;">Page 61</p> <p>1 A. Yes, I was. 2 Q. Why were you disappointed? 3 A. I spent most of my career in HPD, I 4 knew all the people there, I didn't want to be 5 part of a new division that I knew nothing about. 6 Q. Is it fair to say though that you 7 brought the business that you were working on 8 with you to that business, to that division, and 9 continued to work on it within PPD? 10 A. Correct. 11 Q. Now we're going to jump back. 12 A. Okay. 13 Q. Let's go back to '96. Ma'am, when you 14 were within the Home Infusion unit, from '96 to 15 2000 I believe you testified earlier that you 16 were the business manager; is that right? 17 A. Yes. 18 Q. What were your responsibilities, job 19 responsibilities, as the business manager within 20 Home Infusion? 21 A. To supervise the salespeople and 22 negotiate contracts.</p>

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<p style="text-align: right;">Page 62</p> <p>1 Q. Let's start with the first. 2 What were your duties and 3 responsibilities with regard to supervision of 4 the salespeople? 5 A. Being aware of what their activities 6 were, encouraging them in general, and also 7 focusing them on particular customers, trying to 8 grow the business. They also maintained the 9 current clients that we had. 10 Q. When you say "maintained the current 11 clients that we had" -- 12 A. Much like I did when I was in product 13 sales, visiting the customers, making sure that 14 everything is going to their expectations. 15 Q. Okay. So client maintenance? 16 A. Client maintenance, yes. 17 Q. Were you at all involved with training 18 of the Home Infusion sales force? 19 A. No, not at that time. 20 Q. Was there any training for the Home 21 Infusion sales force? 22 A. I imagine there was.</p>	<p style="text-align: right;">Page 64</p> <p>1 type reviews. 2 A. Both. 3 Q. What was involved in doing a personnel 4 review of a member of the Home Infusion sales 5 force? 6 A. Throughout Abbott we are required to do 7 a self-performance review and submit that to our 8 manager. 9 Q. Okay. 10 A. I would review that and either agree or 11 disagree with their memory. And add growth plan 12 for them, developmental plan. 13 Q. What about for business review? 14 A. They would come in and present a formal 15 review lasting about forty-five minutes of their 16 current clients and what their dollar volume was. 17 And then they would review any clients that they 18 were in negotiations with or had on their, what 19 we call on their radar. 20 Q. Was there a certain core competency 21 that the sales force within Home Infusion needed 22 in order to sell the Home Infusion business</p>
<p style="text-align: right;">Page 63</p> <p>1 Q. Do you know who would have been 2 responsible for it? 3 A. No, not directly. 4 Q. Were you familiar with the types of 5 discussions that your sales force was permitted 6 and not permitted to have with their Home 7 Infusion customers? 8 A. Yes. 9 Q. What types of conversations were they 10 not permitted to have? 11 A. They were not to discuss other clients. 12 They were not to discuss specific contracting 13 issues with regards to other clients in general. 14 They of course shouldn't and wouldn't say 15 anything they didn't know anything about. 16 Q. Did you have any other responsibilities 17 with regard to supervision of the sales force? 18 A. No. 19 Q. Did you do reviews of the sales force? 20 Like annual reviews or -- 21 A. Business reviews? 22 Q. Either business reviews or personnel</p>	<p style="text-align: right;">Page 65</p> <p>1 models? 2 A. Yes. 3 MR. WINCHESTER: Objection, form. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. Did the sales force have to understand 6 how reimbursement by third-party payors worked, 7 the mechanics of it, in order to sell the Home 8 Infusion business model? 9 A. No. 10 Q. Why not? 11 MR. WINCHESTER: Objection, form. 12 THE WITNESS: There was no reason for 13 them to have that specific information. They 14 weren't asked that. 15 BY MS. ST. PETER-GRIFFITH: 16 Q. If they were asked questions about 17 reimbursement, what should they do with those 18 questions? 19 A. Refer them to the reimbursement manager 20 that was responsible for the account. 21 Q. Was that the group that Virginia 22 Tobiason oversaw?</p>

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<p style="text-align: right;">Page 66</p> <p>1 A. Yes.</p> <p>2 Q. Did you have any other responsibilities</p> <p>3 in supervising the sales force?</p> <p>4 A. No.</p> <p>5 Q. What additional responsibilities did</p> <p>6 you have when you were a business manager in Home</p> <p>7 Infusion?</p> <p>8 A. An annual budget for my particular</p> <p>9 area.</p> <p>10 Q. How did you go about -- well, first of</p> <p>11 all, let me ask you, the annual budget for what?</p> <p>12 For payment of salaries?</p> <p>13 A. Yes.</p> <p>14 Q. Business expenses?</p> <p>15 A. Yes. Travel.</p> <p>16 Q. What other types of budget items?</p> <p>17 A. Telephone, car, gas, airplane flights,</p> <p>18 you know. It's all part of travel.</p> <p>19 Q. When you started in '96, do you recall</p> <p>20 what your annual budget was?</p> <p>21 A. No.</p> <p>22 Q. Do you recall at any time from '96 to</p>	<p style="text-align: right;">Page 68</p> <p>1 final.</p> <p>2 Q. Would the sales force do the</p> <p>3 negotiations?</p> <p>4 A. Yes.</p> <p>5 Q. Would they do that in conjunction with</p> <p>6 the contract marketing division within Home</p> <p>7 Infusion?</p> <p>8 A. Definitely.</p> <p>9 Q. Who was within the contract marketing</p> <p>10 division?</p> <p>11 A. Kathy Riddle.</p> <p>12 Q. Anyone else?</p> <p>13 A. Not that I am aware of, no.</p> <p>14 Q. What about Dave Brincks?</p> <p>15 A. Not when I was there.</p> <p>16 Q. Okay. Now, did you have supervisory</p> <p>17 responsibilities over the contract marketing</p> <p>18 group?</p> <p>19 A. No.</p> <p>20 Q. How did your sales force interact with</p> <p>21 them? What were the mechanics of that</p> <p>22 relationship?</p>
<p style="text-align: right;">Page 67</p> <p>1 2000 what your annual budget was?</p> <p>2 A. No.</p> <p>3 Q. Can you ballpark? Was it in the</p> <p>4 millions?</p> <p>5 A. No.</p> <p>6 Q. How many sales force members were there</p> <p>7 within Home Infusion that you supervised?</p> <p>8 A. Approximately five.</p> <p>9 Q. Do you recall who they were?</p> <p>10 A. One was Chris Hurden, a man, Diana</p> <p>11 Young. There was a nurse, I just had his name.</p> <p>12 Q. It was a he, a male nurse?</p> <p>13 A. Yes. Sondra Raider. That's all I can</p> <p>14 think of right now.</p> <p>15 Q. Now, you also negotiated contracts,</p> <p>16 Home Infusion contracts?</p> <p>17 A. Yes.</p> <p>18 Q. What was involved in your</p> <p>19 responsibilities for negotiating Home Infusion</p> <p>20 contracts?</p> <p>21 A. I usually went in, after most of the</p> <p>22 negotiations had been done, I would go in for the</p>	<p style="text-align: right;">Page 69</p> <p>1 MR. WINCHESTER: Objection, form.</p> <p>2 THE WITNESS: They would submit a</p> <p>3 request for proposal.</p> <p>4 BY MS. ST. PETER-GRIFFITH:</p> <p>5 Q. Okay.</p> <p>6 A. And when they got it, when the</p> <p>7 salespeople got it, then they went and presented</p> <p>8 it to the customer.</p> <p>9 Q. When you say "they," you mean the --</p> <p>10 A. Salesperson.</p> <p>11 Q. The salesperson would present it to the</p> <p>12 customer, but who put together the RFP? Contract</p> <p>13 marketing?</p> <p>14 A. Well, it wouldn't be an RFP. We didn't</p> <p>15 really deal with RFPs.</p> <p>16 They would put the contract together.</p> <p>17 Contract marketing would develop the contract.</p> <p>18 Q. A contract proposal?</p> <p>19 A. Yes. And it was always approved by</p> <p>20 Mike Sellers.</p> <p>21 Q. Now, would you expect that with regard</p> <p>22 to each component of the contract that your sales</p>

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<p style="text-align: right;">Page 70</p> <p>1 force would be familiar with the terms? 2 MR. WINCHESTER: Objection, form, 3 speculation. 4 THE WITNESS: Yes, they should. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Would you expect that the contract 7 marketing unit would be familiar with the terms 8 of the various contracts that they proposed? 9 A. Yes. 10 MR. WINCHESTER: Objection, 11 speculation. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. Would anyone within the Hospital 14 Business Sector have any involvement in the 15 negotiation or approval of or putting together 16 the contract proposals? 17 MR. WINCHESTER: Objection, form. 18 THE WITNESS: I don't know that. 19 BY MS. ST. PETER-GRIFFITH: 20 Q. In terms of pricing, where did either 21 your sales force, you, or the contract marketing 22 division, get their pricing information in</p>	<p style="text-align: right;">Page 72</p> <p>1 A. No. 2 MR. WINCHESTER: Objection, form, 3 speculation. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. Did you have any other responsibilities 6 during this '96 through 2000 time period when you 7 were the business manager for Home Infusion? 8 A. No. 9 Q. What were the business models for Home 10 Infusion? 11 I know the counsel from Texas touched 12 upon that, but I wanted you to explain what were 13 -- first of all, was it more than one business 14 model for Home Infusion during your tenure there? 15 MR. WINCHESTER: Objection, form. 16 THE WITNESS: We had the same products 17 to offer during the time I was there. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. Did you have different business models 20 for selling those products? 21 A. Sure. 22 Q. What were the business models that you</p>
<p style="text-align: right;">Page 71</p> <p>1 putting together these contract proposals? 2 A. The salespeople received the pricing 3 information from contract marketing. 4 Q. Is that Home Infusion contract 5 marketing? 6 A. Yes. 7 Q. Do you know where the Home Infusion 8 contract marketing individuals received their 9 pricing information? 10 A. Where they received it? I can tell you 11 they developed it based on how much Abbott 12 product was utilized by the client. 13 Q. And in developing that pricing, do you 14 know what prices for Abbott product they used? 15 A. I do not. 16 Q. Did you ever discuss with anyone how 17 they came up with the figures that they did? 18 A. No. 19 Q. Would that have been something that 20 would have been important for your sales force to 21 know or for you to know in negotiating these 22 contracts?</p>	<p style="text-align: right;">Page 73</p> <p>1 used for selling those products? 2 A. It would depend on what the needs of 3 the customer were. 4 Q. Well, how many different business 5 models did you have? 6 MR. WINCHESTER: Objection, form. 7 THE WITNESS: It could be an infinite 8 number depending on how many people wanted, if 9 they wanted one item or five items that we 10 offered or two or three of this and two, you 11 know. It's just different. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. When you say "items," do you mean 14 different services that you offered? 15 A. Yes, yes. 16 Q. Okay. Let's start with that. 17 A. Okay. 18 Q. During your tenure when you were the 19 business manager in Home Infusion, were all of 20 the contracts consignment arrangements? 21 A. To my memory, yes. 22 Q. When I say "consignment arrangements" -</p>

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<p style="text-align: right;">Page 74</p> <p>1 - or let me ask you, what do you understand 2 "consignment arrangements" to be? 3 A. Abbott product would be supplied to the 4 customer to utilize for their business. 5 Q. And what price was charged to the 6 Abbott client for those products? 7 A. No specific item prices were charged. 8 That was done with the therapy price. 9 Q. When you say "done with the therapy 10 price," what do you mean? What's a therapy 11 price? 12 A. If you have enteral nutrition, that had 13 one price, or two prices, whether they used a 14 pump or not. That price was determined based on 15 how much Abbott product was utilized. 16 Q. Was there a fixed price for a 17 particular therapy, or did Abbott share in the 18 collection of revenue collected by the Home 19 Infusion client? 20 A. We shared in the revenue. 21 Q. Was there ever during your tenure 22 within Home Infusion a business model whereby</p>	<p style="text-align: right;">Page 76</p> <p>1 consignment goods in exchange for a share in 2 revenue violated federal or state law? 3 A. Not to my knowledge, no. 4 Q. You never heard anything of that sort? 5 A. Never. 6 Q. What services were offered or what 7 services could a consignment customer within Home 8 Infusion choose from? 9 A. The computer system, the CHIP system, 10 reimbursement, training. We could assist them in 11 building out a pharmacy, with the design of it. 12 Q. Okay. 13 A. Inventory management. That was it. 14 Q. So when your sales force or when you 15 were negotiating with a particular client, is it 16 fair to say that depending upon how many of these 17 services they chose, that would impact the 18 percentage that Abbott would expect to collect, 19 the percentage of reimbursements that Abbott 20 would expect to collect from the Home Infusion 21 client? 22 MR. WINCHESTER: Objection, form.</p>
<p style="text-align: right;">Page 75</p> <p>1 Abbott Home Infusion just sold straight product 2 to the Home Infusion client and did not share in 3 the revenue? 4 MR. WINCHESTER: Objection, form. 5 THE WITNESS: No. That would have been 6 a product sales customer. 7 BY MS. ST. PETER-GRIFFITH: 8 Q. Is that sort of the distinction between 9 sales by Home Infusion and sales by Alt. Site 10 product sales? 11 A. Right. 12 Q. So we've got one component for the 13 business model whereby Abbott Home Infusion would 14 provide products on a consignment basis; right? 15 A. Yes. 16 Q. To your knowledge, did anyone at any 17 time ever raise concerns about whether or not the 18 provision of products on a consignment basis 19 complied with or violated federal and state law? 20 A. I never heard of such concern. 21 Q. Are you aware of any customers raising 22 a concern about whether or not the provision of</p>	<p style="text-align: right;">Page 77</p> <p>1 THE WITNESS: Not exactly. The number 2 of services would be taken into consideration 3 when we developed the pricing for the therapy, if 4 that's what you mean. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Oh, okay. Can you explain what you 7 mean by that? 8 A. If the customer wanted to do their own 9 reimbursement, then the price of the therapy that 10 we would charge them would be less than if we did 11 the reimbursement because we would not be 12 providing that service. 13 Q. And when you say the price would be 14 less, do you mean the percentage of their 15 reimbursements that you would expect to collect, 16 or would there be an actual fixed price? 17 MR. WINCHESTER: Objection, form. 18 THE WITNESS: Well, it's not, I think 19 I'm confused by you saying by the percent that we 20 would collect. That varies depending on if we 21 get paid at all. 22 BY MS. ST. PETER-GRIFFITH:</p>

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1 Q. Okay. Well, then what is the price for
2 the therapy? What price would be charged for a
3 particular therapy?

4 A. An example, I'll pick just a number, it
5 might not be exact, for enteral therapy, \$23 a
6 day.

7 Q. So the \$23 a day, would that be what
8 Abbott would expect to collect from the Home
9 Infusion consignment client?

10 A. Yes. That's what we would hope to
11 collect. Well, hope to be paid.

12 Q. Well, were these considered risk-share
13 arrangements?

14 A. Yes.

15 MR. WINCHESTER: Objection, form.

16 BY MS. ST. PETER-GRIFFITH:

17 Q. How were they risk-share arrangements?

18 A. If the customer did not receive
19 reimbursement at all or if they did not receive
20 the expected amount of reimbursement, we would
21 still, we would take a smaller percentage.

22 Q. Now, you just used the term

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1 "percentage."

2 A. Right. I know.

3 Q. Can you explain sort of how percentages
4 of reimbursement worked in terms of identifying a
5 particular therapy price, or was there a
6 relationship?

7 MR. WINCHESTER: Objection, form.

8 THE WITNESS: To my memory, we would
9 look at average payments and say the customer did
10 know what the dollar amount was per therapy, say
11 they were aware of the \$23 as an example.

12 BY MS. ST. PETER-GRIFFITH:

13 Q. Okay.

14 A. And if they were paid \$90 or \$70,
15 whatever they were paid, on average, then we'd
16 determine what percent that \$23 was.

17 Q. Okay.

18 A. So then there was the percentage number
19 that way.

20 Q. In terms of how the contracts reflected
21 the compensation that would be due to Abbott,
22 would it be reflected on a percentage of revenue

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1 collection, or would there be a fixed therapy
2 price?

3 MR. WINCHESTER: Objection, form.

4 THE WITNESS: It was a fixed therapy
5 percentage, not based on collection.

6 BY MS. ST. PETER-GRIFFITH:

7 Q. A fixed therapy percentage based upon
8 collection?

9 A. Not based on collection.

10 Q. What do you mean by "not based on
11 collection"?

12 A. It didn't matter if we got, well, it
13 mattered to us if we got paid. We wanted to get
14 paid.

15 Q. Understood.

16 A. But it would still be, it would be ten
17 percent whether we got paid \$100 or \$10, for one
18 particular therapy.

19 Q. Okay. In terms of developing a
20 pricing, a fixed pricing, like an identifiable
21 amount like \$23 a day for a particular therapy
22 for example --

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1 A. Yes.

2 Q. -- was that pricing that your contract
3 marketing used to ballpark what percentage you
4 were going to negotiate?

5 A. Yes.

6 MR. WINCHESTER: Objection,
7 speculation.

8 THE WITNESS: And that was shared with
9 the customer.

10 BY MS. ST. PETER-GRIFFITH:

11 Q. So when you're explaining to the
12 customer how you're arriving at your percentages,
13 you're looking at hard dollars in terms of what
14 the value of the product and services were that
15 were being provided by Abbott Home Infusion under
16 the contract?

17 A. Yes.

18 Q. And how were those particular dollar
19 amounts monitored within Home Infusion, or were
20 they monitored within Home Infusion?

21 MR. WINCHESTER: Objection, form.

22 BY MS. ST. PETER-GRIFFITH:

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<p style="text-align: right;">Page 82</p> <p>1 Q. Was there a computer program, for 2 example, for a particular client that identified 3 what Abbott estimated its therapy day costs were 4 for a particular client? 5 MR. WINCHESTER: Objection, form. 6 THE WITNESS: That was part of the 7 contract negotiation. Once it was negotiated and 8 we had the percentage, there was no need to refer 9 to it. 10 BY MS. ST. PETER-GRIFFITH: 11 Q. Where would that information go? Would 12 it be just thrown away, or would it be maintained 13 in the file? 14 MR. WINCHESTER: Objection, form. 15 THE WITNESS: It was in the client's 16 file at Abbott, and the client also had a copy. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. What other business models were there 19 within -- or let me ask you this: Other than 20 this model whereby Abbott consigned product and 21 then there was a menu of services that a 22 particular client can choose, other than that</p>	<p style="text-align: right;">Page 84</p> <p>1 Q. Meaning different people were under 2 your supervision? 3 A. Yes. 4 Q. Anyone else that you can recall who was 5 under your supervision that we haven't discussed 6 today? 7 A. No. 8 Q. With regard to a change that took place 9 in '99, sometime in '99, you became the national 10 sales manager of Home Infusion? Does that sound 11 right? 12 A. Yes. 13 Q. Did you take on additional 14 responsibilities as the national sales manager? 15 How did that change your job responsibilities? 16 MR. WINCHESTER: Objection, form. 17 THE WITNESS: A larger geography. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. What was your previous geography prior 20 to '99? 21 A. The central area. 22 Q. How did your geography expand?</p>
<p style="text-align: right;">Page 83</p> <p>1 business model were there any other business 2 models for Abbott Home Infusion that you can 3 recall? 4 A. Not that I'm aware of. 5 MS. ST. PETER-GRIFFITH: Now might be a 6 good breaking point. Do you want to do that? 7 MR. WINCHESTER: Sure. 8 THE VIDEOGRAPHER: We are off the 9 record at 10:39 a.m. with the end of Tape No. 1. 10 (WHEREUPON a recess was taken.) 11 THE VIDEOGRAPHER: We are back on the 12 record at 10:49 a.m. with the start of Tape No. 13 2. 14 BY MS. ST. PETER-GRIFFITH: 15 Q. Ms. Kreklow, we've gone over your job 16 responsibilities within Home Infusion when you 17 were the Home Infusion business manager up 18 through 2000. 19 Are there any other job 20 responsibilities that you had from the '96 to 21 2000 time frame that we haven't discussed? 22 A. No. Just different people.</p>	<p style="text-align: right;">Page 85</p> <p>1 A. To the entire country. 2 Q. Were there other national sales 3 managers within Home Infusion? 4 A. No. 5 Q. You were it? 6 A. Yes. 7 Q. Did it change your responsibility in 8 terms of your supervision of larger numbers of 9 people? 10 A. No. 11 Q. Did you still supervise the same group 12 that you supervised prior to your promotion to 13 national sales manager? 14 A. No. Some of them have left. 15 Q. But did you still have a core group of 16 approximately five sales force members that you 17 supervised? 18 A. Yes. 19 Q. When you were the business manager for 20 Home Infusion, were there other business managers 21 for Home Infusion? 22 A. Yes.</p>

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<p style="text-align: right;">Page 86</p> <p>1 Q. Who were they?</p> <p>2 A. Shirley Beyer and Tom Ollinger.</p> <p>3 Q. Were they similarly promoted to</p> <p>4 national sales manager at any time?</p> <p>5 A. No.</p> <p>6 Q. Did you have any supervisory</p> <p>7 responsibilities over Shirley or Tom?</p> <p>8 A. No.</p> <p>9 Q. Do you know why the decision was made</p> <p>10 to -- well, let me ask you this: Was the</p> <p>11 position of national sales manager for Home</p> <p>12 Infusion created for you? Were you the first</p> <p>13 person to hold that position?</p> <p>14 A. Yes.</p> <p>15 Q. Do you know why the Home Infusion</p> <p>16 leadership model changed so that that position</p> <p>17 was created for you?</p> <p>18 A. Yes. The shutdown was announced.</p> <p>19 Q. So the shutdown was announced in '99?</p> <p>20 A. Yes.</p> <p>21 Q. How was that announcement made?</p> <p>22 A. On the phone for people that were in</p>	<p style="text-align: right;">Page 88</p> <p>1 A. No.</p> <p>2 Q. Where was Tom based?</p> <p>3 A. Someplace out east.</p> <p>4 Q. And where was Shirley based?</p> <p>5 A. California.</p> <p>6 Q. Why did it come as a surprise to you?</p> <p>7 A. Because I wasn't aware that there were</p> <p>8 any issues at all.</p> <p>9 Q. To your knowledge, did it come as a</p> <p>10 surprise to Ginny Tobiason?</p> <p>11 A. To my knowledge, it came as a surprise</p> <p>12 for everybody.</p> <p>13 Q. Did you discuss it with the people in</p> <p>14 the room?</p> <p>15 A. Not after the call.</p> <p>16 Q. What was your interaction with Virginia</p> <p>17 Tobiason?</p> <p>18 MR. WINCHESTER: Objection, form.</p> <p>19 THE WITNESS: Hardly any interaction at</p> <p>20 all.</p> <p>21 BY MS. ST. PETER-GRIFFITH:</p> <p>22 Q. Did you have a good working</p>
<p style="text-align: right;">Page 87</p> <p>1 the field, and I was in the office on the</p> <p>2 conference call.</p> <p>3 Q. Who else participated?</p> <p>4 MR. WINCHESTER: Objection, form.</p> <p>5 THE WITNESS: Mike Sellers conducted</p> <p>6 it. All of the Home Infusion managers were</p> <p>7 either on the line or in the office.</p> <p>8 BY MS. ST. PETER-GRIFFITH:</p> <p>9 Q. And that include Shirley and Tom?</p> <p>10 A. Yes.</p> <p>11 Q. And anyone else?</p> <p>12 A. Tim Sykes, Ginny Tobiason.</p> <p>13 Q. Did this come as a surprise to you?</p> <p>14 A. Yes.</p> <p>15 Q. So we have Ms. Tobiason, Tim Sykes,</p> <p>16 Tom, Shirley, you, Mike Sellers, and then the</p> <p>17 field sales reps?</p> <p>18 A. Not at that time, no.</p> <p>19 Q. Who were the people on the phone who</p> <p>20 were in the field?</p> <p>21 A. Tom and Shirley.</p> <p>22 Q. Were they not based in Abbott Park?</p>	<p style="text-align: right;">Page 89</p> <p>1 relationship with her?</p> <p>2 A. Sure.</p> <p>3 Q. Do you know whether other people had</p> <p>4 difficulties with her as a manager?</p> <p>5 A. I do not know that.</p> <p>6 Q. Who is Mr. Sykes?</p> <p>7 A. He is, I don't remember his title, but</p> <p>8 the pharmacies reported to him.</p> <p>9 Q. Was the closure of Home Infusion also</p> <p>10 an announcement of the closure of the Home</p> <p>11 Infusion pharmacies?</p> <p>12 A. Not at that time.</p> <p>13 Q. When was the decision made to close the</p> <p>14 Home Infusion pharmacies?</p> <p>15 MR. WINCHESTER: Objection, form.</p> <p>16 THE WITNESS: Sometime after that, but</p> <p>17 I can't remember when.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. What was your interaction with the</p> <p>20 reimbursement department in general when you were</p> <p>21 within the Home Infusion business unit?</p> <p>22 A. Really no interaction until 2000, 1999,</p>

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<p style="text-align: right;">Page 90</p> <p>1 when I became the director of operations. I 2 didn't interact with them prior to that. 3 Q. So the announcement is made that 4 they're going to close the business unit. What 5 was the plan for the closure of the business 6 unit? 7 A. Actually, I think at that time when we 8 were all in the office, it was presented more of 9 a slowdown rather than a closure. Meaning that 10 we were not going to solicit new clients, but 11 there was no talk of transitioning clients. 12 Q. When did the discussion become about 13 closure? 14 A. I believe a year later. 15 Q. Did that coincide with your promotion 16 to director of Home Infusion? 17 A. No. There were several months in 18 between. 19 Q. Which occurred first? 20 A. I was director afterwards. 21 Q. So what was the plan for the slowdown, 22 to your recollection?</p>	<p style="text-align: right;">Page 92</p> <p>1 down the business came about. 2 Q. How did you learn about the decision to 3 shut down the business? 4 A. Either Mike or Don. 5 Q. Did that come as a surprise to you? 6 A. Yes. I heard it when everyone else 7 did. 8 Q. So they didn't tell you separately? 9 A. No. 10 Q. So by the time that you learned that 11 they were closing down the business, there had 12 already been a slowdown for the business unit 13 itself? 14 A. Yes, not taking on any new clients. I 15 don't believe we had any contracts that expired 16 during that period, but I can't be certain. 17 Q. At that point in time had there been a 18 staff reduction? 19 A. Yes. 20 Q. Do you recall what the staff reduction 21 was? 22 A. I know Tom and Shirley and some of</p>
<p style="text-align: right;">Page 91</p> <p>1 A. Business as usual for our current 2 clients, but we would not take on any new 3 clients. 4 Q. What about re-signing old clients as 5 contracts were to expire? 6 A. No. 7 Q. Was a decision made to communicate this 8 with the clients? 9 A. There was some communication. I 10 believe it was in a letter. 11 Q. I'm sorry? 12 A. A letter. 13 Q. Do you know who sent the letter? 14 A. Mike Sellers. 15 Q. Did you participate at all in 16 communicating with clients about the decision to 17 slow down Home Infusion? 18 A. No. 19 Q. Did you communicate with clients 20 concerning the decision to terminate any Home 21 Infusion contracts, for any reason? 22 A. Later I did, when the decision to shut</p>	<p style="text-align: right;">Page 93</p> <p>1 their salespeople, I guess almost all of their 2 salespeople. 3 Q. At some point in time in between -- or 4 let me ask you, when did Virginia Tobiason leave 5 the business unit? 6 A. I don't remember. Before I was 7 director. She never reported to me. 8 Q. Do you know where she went? 9 A. No. 10 Q. So when the decision was made to close 11 the business unit, what was the process that 12 subsequently occurred for the closure of the 13 business unit? 14 MR. WINCHESTER: Objection, form. 15 THE WITNESS: With regard to the 16 employees or the clients? 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Let's start with the clients. 19 A. We informed them that when their 20 contract expired, it would not be renewed. 21 And with all I believe we only had one 22 client whose contract went beyond that, beyond</p>

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1 our point in time when we expected to be out of
2 the business.
3 Q. Do you recall what client that was?
4 A. PharmaThera.
5 Q. How did you deal with the PharmaThera
6 contract?
7 A. Explained to them what the situation
8 was and transferred them over to product sales.
9 Q. Is that what happened? Were all of the
10 Home Infusion clients transferred over to product
11 sales?
12 A. No.
13 Q. What happened to the clients?
14 A. Some of them chose to go with a
15 competitor.
16 Q. Which competitor?
17 A. Usually Baxter, for solutions and
18 equipment.
19 Q. For the sale of solutions and
20 equipment?
21 A. For the purchase. They purchased it
22 from them.

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1 Q. To your knowledge, did any go to any
2 other consignment type arrangements with anyone
3 else?
4 A. Oh, I have no idea. That would not be
5 shared with me.
6 Q. They wouldn't tell you that, your
7 clients?
8 A. No.
9 Q. But were some clients -- well, let me
10 ask you, what percentage of the clients do you
11 recall stayed with Abbott and were transferred to
12 Alt. Site?
13 A. In excess of eighty percent.
14 Q. Do you recall at all what the dollar
15 volume of business was at any time when you were
16 in Home Infusion?
17 A. \$150 million.
18 Q. Annually?
19 A. Yes.
20 Q. Was it \$150 million during your entire
21 tenure within Home Infusion?
22 A. I didn't know what the total number was

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1 until I became director.
2 Q. What did you learn when you became
3 director?
4 A. It was \$150 million, and it went down
5 from there.
6 Q. And it went down from there.
7 A. Uh-huh.
8 Q. Okay. At the time that you became
9 director, do you recall how much it declined?
10 A. It declined, over the three years it
11 declined to zero.
12 Q. Do you recall learning prior to your
13 becoming director what the trend had been for
14 Home Infusion? Were they losing business?
15 A. I don't know.
16 Q. Now, you learned, I believe you
17 testified earlier in response to questions from
18 counsel for Texas that you learned about AWP as a
19 factor in reimbursement when you were within Home
20 Infusion; is that right?
21 A. That's when I had an understanding of
22 it, yes.

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1 Q. What was your understanding?
2 A. That it's average wholesale price.
3 Q. And prior to joining Home Infusion, you
4 had no idea what average wholesale price was?
5 A. No. I had no, no reason to know that
6 until I talked to Dave Brincks at the end of my
7 tenure in product sales.
8 Q. So you learned about it in '95 --
9 A. A few months before I left.
10 Q. Did you have an understanding as to how
11 average wholesale price impacted third-party
12 reimbursement?
13 A. No.
14 Q. When did you first learn about the
15 relationship between average wholesale price and
16 third-party reimbursement?
17 MR. WINCHESTER: Objection, form,
18 assumes facts.
19 THE WITNESS: When the reimbursement
20 department reported to me.
21 BY MS. ST. PETER-GRIFFITH:
22 Q. Was that after you assumed the

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<p style="text-align: right;">Page 98</p> <p>1 directorship?</p> <p>2 A. Yes.</p> <p>3 Q. Let me back up a little bit because I</p> <p>4 don't think, once you assumed the directorship</p> <p>5 what were your responsibilities within Home</p> <p>6 Infusion, other than obviously to shepherd it</p> <p>7 along to closure I assume?</p> <p>8 A. Right. All of the managers reported to</p> <p>9 me.</p> <p>10 Q. And it was at that time that you</p> <p>11 learned for the first time that AWP had an impact</p> <p>12 on reimbursement?</p> <p>13 A. It was the first time that I learned</p> <p>14 that there was a formula for payment that</p> <p>15 included AWP. I might have heard it before, but</p> <p>16 I did not understand it.</p> <p>17 Q. Well, would it have been important to</p> <p>18 understand how Abbott's Home Infusion clients</p> <p>19 were reimbursed as part of your sales</p> <p>20 responsibilities?</p> <p>21 MR. WINCHESTER: Objection,</p> <p>22 speculation.</p>	<p style="text-align: right;">Page 100</p> <p>1 Q. Would you not take on those clients?</p> <p>2 A. We would take them on, we certainly</p> <p>3 would take them on. We wouldn't go out and seek</p> <p>4 to have a relationship with a client that had a</p> <p>5 large risk to us.</p> <p>6 Q. How would you know when you're seeking</p> <p>7 out clients whether or not they're heavily</p> <p>8 dependent upon a riskier reimbursement method</p> <p>9 like Medicaid reimbursement?</p> <p>10 A. They would tell us that.</p> <p>11 Q. Would it have been important to you in</p> <p>12 your business manager function to understand how</p> <p>13 Medicaid and Medicare reimbursed your clients?</p> <p>14 MR. WINCHESTER: Objection, form.</p> <p>15 THE WITNESS: No.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. How come?</p> <p>18 A. Because that was handled by our</p> <p>19 reimbursement department. All I was responsible</p> <p>20 for knowing was the payor mix.</p> <p>21 Q. Were you responsible for knowing</p> <p>22 whether the contract arrangements that your sales</p>
<p style="text-align: right;">Page 99</p> <p>1 THE WITNESS: It would be important for</p> <p>2 me only in the sense that we wouldn't want to</p> <p>3 necessarily take on a client that was very risky</p> <p>4 as far as payment.</p> <p>5 BY MS. ST. PETER-GRIFFITH:</p> <p>6 Q. When you say "very risky as far as</p> <p>7 payment," what do you mean?</p> <p>8 A. A heavy Medicaid population.</p> <p>9 Q. Why would that be risky?</p> <p>10 A. Because many times you're not paid.</p> <p>11 Q. How do you know that?</p> <p>12 A. I remember hearing that.</p> <p>13 Q. How did you monitor the risk levels of</p> <p>14 various clients and their reliance upon Medicaid</p> <p>15 reimbursement or Medicare reimbursement?</p> <p>16 A. Can you rephrase that please so I</p> <p>17 understand what you're looking for?</p> <p>18 Q. Sure. Let me rephrase this.</p> <p>19 You indicated that a client's heavy</p> <p>20 reliance upon a Medicaid population posed a risk</p> <p>21 or they were a riskier client.</p> <p>22 A. Correct.</p>	<p style="text-align: right;">Page 101</p> <p>1 force worked on and that you ultimately assisted</p> <p>2 in negotiating complied with state and federal</p> <p>3 law?</p> <p>4 MR. WINCHESTER: Objection, form.</p> <p>5 THE WITNESS: It's important, yes.</p> <p>6 BY MS. ST. PETER-GRIFFITH:</p> <p>7 Q. How did you know that the consignment</p> <p>8 arrangements within Home Infusion complied with</p> <p>9 state and federal law?</p> <p>10 MR. WINCHESTER: I would instruct you</p> <p>11 not to answer that question to the extent it</p> <p>12 would require you to reveal the substance of any</p> <p>13 conversations that you might have had with</p> <p>14 counsel for Abbott or the substance of any legal</p> <p>15 advice that was received from counsel for Abbott.</p> <p>16 THE WITNESS: I decline.</p> <p>17 BY MS. ST. PETER-GRIFFITH:</p> <p>18 Q. What do you mean you decline?</p> <p>19 A. To answer.</p> <p>20 Q. Why do you decline to answer?</p> <p>21 A. My counsel recommended I did.</p> <p>22 Q. Let me ask you this: Did you have any</p>

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<p>1 conversations with anyone within the legal 2 department concerning whether or not -- strike 3 that. 4 Have you had any conversations, don't 5 necessarily tell me the substance, but have you 6 had any conversations with anyone within the 7 legal department when you were within Home 8 Infusion? 9 A. I never did, no. 10 Q. How did you know that the contracts 11 that you were negotiating complied with state and 12 federal law? 13 MR. WINCHESTER: Again, I'd instruct 14 you not to answer the question if it would 15 require you to reveal the substance of advice 16 that you know came from counsel for Abbott. 17 THE WITNESS: I decline to answer. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. He hasn't instructed you not to answer. 20 Why are you declining not to answer? 21 MR. WINCHESTER: I have instructed her 22 not to answer if it would require her to reveal</p>	<p>1 legal advice that she knows was received from 2 counsel, you are not entitled to discover that. 3 MS. ST. PETER-GRIFFITH: Are you 4 relying upon an advice of counsel defense? Are 5 you telling me that you are or are not relying 6 upon an advice of counsel defense? 7 MR. WINCHESTER: I'm not staking that 8 position out, nor do I need to. 9 I am telling you right now you are not 10 going to inquire into the substance of 11 communications with legal counsel. That's basic. 12 You know this. 13 MR. ANDERSON: Jason, if I might 14 interject. She hasn't had any communications 15 with counsel. 16 MR. WINCHESTER: I just covered that, 17 Jarrett. 18 MR. ANDERSON: How can she have an 19 attorney-client communication if she's not 20 communicating with attorneys? 21 MR. WINCHESTER: I will allow you to 22 close this out.</p>
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<p>1 the substance of communications that she know 2 came from counsel. 3 MS. ST. PETER-GRIFFITH: Jason, this is 4 a basic question in this case concerning 5 compliance. Are you telling me that Abbott is 6 going to be relying upon an advice of counsel 7 defense? 8 MR. WINCHESTER: I'm telling you that 9 you're not entitled in this deposition to 10 question this witness about the advice that was 11 received from counsel. That's it. 12 You don't get to do that in any dep. 13 You know this. 14 MS. ST. PETER-GRIFFITH: She hasn't 15 spoken with counsel. 16 MR. WINCHESTER: That doesn't matter. 17 That's why I phrased my objection the way that I 18 did. If she knows information, she may not have 19 heard it directly from counsel, you haven't 20 covered that, my objection is if she knows 21 information that you're seeking would require her 22 to reveal the substance of communications and</p>	<p>1 My objection was if she knows that the 2 communications that she's aware of came from 3 counsel, it doesn't necessarily matter that she 4 got them directly herself from counsel -- 5 MS. ST. PETER-GRIFFITH: Absolutely it 6 does. 7 MR. WINCHESTER: No, it doesn't. 8 MS. ST. PETER-GRIFFITH: Yes, it does, 9 Jason. 10 BY MS. ST. PETER-GRIFFITH: 11 Q. Have you had any communications with 12 anyone concerning the compliance of these 13 consignment arrangements with federal and state 14 law? 15 A. Have I had or, yes. 16 Q. Who have you had those communications 17 with? 18 A. I've seen something. 19 Q. You've seen something. 20 A. Uh-huh. 21 Q. What have you seen? 22 A. A letter.</p>

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<p>1 Q. And what letter is this?</p> <p>2 A. It's a letter from Abbott legal.</p> <p>3 Q. A letter from Abbott legal.</p> <p>4 Have you had any communications about</p> <p>5 this letter?</p> <p>6 A. No.</p> <p>7 Q. What is the date of this letter?</p> <p>8 A. I have no idea. It's old.</p> <p>9 Q. Who is the letter to?</p> <p>10 A. I don't remember.</p> <p>11 Q. Do you remember whether it was someone</p> <p>12 outside of Abbott?</p> <p>13 A. I don't remember that.</p> <p>14 Q. Could it have been a communication with</p> <p>15 a third party?</p> <p>16 A. I don't know.</p> <p>17 Q. Then what was the substance of this</p> <p>18 letter that you had?</p> <p>19 MR. WINCHESTER: No, I'm sorry. She's</p> <p>20 not going to testify to that. I will instruct</p> <p>21 you not to answer that question.</p> <p>22 MS. ST. PETER-GRIFFITH: What's the</p>	<p>1 A. Uh-huh.</p> <p>2 Q. A client file?</p> <p>3 A. No, not a client file. I had many,</p> <p>4 many files when I assumed the business, many</p> <p>5 personnel files, many office files in general.</p> <p>6 Q. How do you know it was from counsel?</p> <p>7 A. It said the person, it came on Abbott</p> <p>8 letterhead.</p> <p>9 Q. So it came on Abbott letterhead. How</p> <p>10 do you know it was advice from counsel?</p> <p>11 A. It was signed by an attorney.</p> <p>12 Q. Who was the attorney?</p> <p>13 A. I don't know.</p> <p>14 Q. Do you remember when you saw this?</p> <p>15 A. No.</p> <p>16 Q. Do you know why Abbott would be</p> <p>17 maintaining privileged attorney-client, do you</p> <p>18 have any reason to know why Abbott would be</p> <p>19 maintaining privileged attorney-client</p> <p>20 communications in files that you were</p> <p>21 maintaining?</p> <p>22 MR. WINCHESTER: Objection, form,</p>
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<p>1 basis of your instruction?</p> <p>2 MR. WINCHESTER: The basis of the</p> <p>3 instruction is I haven't seen this document, I</p> <p>4 don't know what it is, but it's quite possible</p> <p>5 the document is an attorney-client communication.</p> <p>6 It came from Abbott counsel.</p> <p>7 You certainly haven't laid a record</p> <p>8 that it was distributed to anybody outside of</p> <p>9 Abbott. So on that basis until at least I can</p> <p>10 satisfy myself that this letter was not</p> <p>11 privileged, I have to instruct her not to answer</p> <p>12 the question.</p> <p>13 BY MS. ST. PETER-GRIFFITH:</p> <p>14 Q. Who was the letter to and from, ma'am?</p> <p>15 A. I don't remember.</p> <p>16 Q. When did you see it? Under what</p> <p>17 circumstances did you see it?</p> <p>18 MR. WINCHESTER: Objection, form.</p> <p>19 THE WITNESS: Probably in a file that I</p> <p>20 assumed when I took other.</p> <p>21 BY MS. ST. PETER-GRIFFITH:</p> <p>22 Q. A file that you assumed?</p>	<p>1 speculation.</p> <p>2 THE WITNESS: I don't really even</p> <p>3 understand what "privileged attorney-client</p> <p>4 communication" means.</p> <p>5 BY MS. ST. PETER-GRIFFITH:</p> <p>6 Q. Do you have any reason to know why a</p> <p>7 letter that was supposed to be a privileged</p> <p>8 communication between Abbott and its counsel</p> <p>9 would be in your files?</p> <p>10 MR. WINCHESTER: Objection, form,</p> <p>11 speculation.</p> <p>12 THE WITNESS: No. I don't know why</p> <p>13 it's in there. I didn't put it in there.</p> <p>14 BY MS. ST. PETER-GRIFFITH:</p> <p>15 Q. What was the substance of the letter?</p> <p>16 MR. WINCHESTER: Objection. She's not</p> <p>17 going to answer that question.</p> <p>18 MS. ST. PETER-GRIFFITH: Jason, if</p> <p>19 you're maintaining, if you're maintaining --</p> <p>20 MR. WINCHESTER: Ann, c'mon, c'mon,</p> <p>21 c'mon, it's a letter from Abbott counsel.</p> <p>22 MS. ST. PETER-GRIFFITH: So what?</p>

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<p>1 MR. WINCHESTER: She doesn't have to be 2 able to lay that. 3 MS. ST. PETER-GRIFFITH: She doesn't 4 even know who it's to. 5 MR. WINCHESTER: Neither do you. 6 You have not established the basis that 7 would allow you to get to this letter because you 8 have not established that it went to anybody 9 outside of Abbott or that it wasn't communication 10 from legal counsel, legal advice from legal 11 counsel. 12 I'd have to see this letter. I haven't 13 seen it. I can't let her testify about it. 14 MS. ST. PETER-GRIFFITH: Well, we 15 certainly expect you to search for it -- 16 MR. WINCHESTER: Well, that would be 17 great. 18 MS. ST. PETER-GRIFFITH: -- because 19 it's not on a privilege log. 20 MR. WINCHESTER: That's great. And we 21 can. But you have not established the basis to 22 inquire about the substance of the letter from</p>	<p>1 of the offices I assumed. It was in the office. 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Did you move around from office to 4 office? 5 A. I did. 6 Q. Did you move around from office to 7 office when you were within Home Infusion? 8 A. I did. 9 Q. Did you assume someone else's files? 10 Did you take over someone else's files when you 11 would move from office to office? 12 A. I did. 13 Q. Whose files did you take over when you 14 became business manager in Home Infusion? 15 A. Chris George. 16 Q. And who is Mr. George? 17 A. An area, a former area business 18 manager. 19 Q. Did you assume anybody else's files? 20 A. Mike Sellers. 21 Q. Do you have any recollection as to 22 whether or not the file that you assumed in which</p>
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<p>1 the witness, and she's not going to answer those 2 questions. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. What file did you find it in, ma'am? 5 MR. WINCHESTER: It's asked and 6 answered. Object. 7 MS. ST. PETER-GRIFFITH: No. She 8 hasn't answer that. 9 MR. WINCHESTER: She did. 10 THE WITNESS: I don't remember which 11 file it was. It was a file I assumed. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. When you say a file you assumed, was it 14 located in any particular place? 15 A. In a file drawer. 16 Q. Who did you assume it from? 17 A. I don't remember exactly because I 18 don't remember when I first saw it. 19 Q. Where was this file drawer located? 20 MR. WINCHESTER: Objection, 21 mischaracterizes. 22 THE WITNESS: Either in the office, one</p>	<p>1 you saw this letter came from either Mr. George 2 or Mr. Sellers? 3 A. I don't remember. 4 Q. Do you remember anybody else's files 5 that you assumed at any other time when you were 6 within Home Infusion? 7 A. Not that I assumed, no. 8 Q. So is it safe to say that these files 9 which contained this particular letter that you 10 remember came from either Mr. George or Mr. 11 Sellers? 12 A. Yes. 13 Q. Where was the file physically located? 14 A. In one of the offices. 15 Q. In one of the offices that you took 16 over? 17 A. Yes. 18 Q. Do you remember which office number it 19 was? 20 A. No. 21 Q. Do you know what happened to the files 22 in that office?</p>

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<p>1 A. They were all sent to corporate 2 records. 3 MR. WINCHESTER: Can I ask again before 4 you leave this what's the first name of George? 5 THE WITNESS: Chris. 6 MR. WINCHESTER: Chris. Thanks. 7 BY MS. ST. PETER-GRIFFITH: 8 Q. Do you remember anything else about the 9 letter? 10 A. No. 11 Q. Do you know whether or not Abbott's 12 Home Infusion consignment arrangements were in 13 compliance with state and federal law? 14 MR. WINCHESTER: Objection, calls for a 15 legal conclusion. 16 THE WITNESS: I can't say. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. It has nothing to do with the letter. 19 I want to know do you know whether 20 Abbott's consignment arrangements complied with 21 state and federal law? 22 MR. WINCHESTER: Same objection, calls</p>	<p>1 the activities that you undertook when you were 2 at Alt. Site, how do you know that they complied 3 with state and federal law? 4 MR. WINCHESTER: Again, I'd instruct 5 you not to answer if it would require you to 6 reveal the substance of any communications that 7 you received or you know were received from 8 Abbott counsel. 9 If you can answer the question without 10 revealing that sort of information, go ahead. 11 THE WITNESS: I'm not aware of any 12 communication. 13 Again, being a long-time Abbott 14 employee, I assume that everything that Abbott 15 does is within all guidelines. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. At any time during your tenure within 18 Alt. Site or Home Infusion or within HPD, did you 19 ever have cause to question whether or not any of 20 your activities for any division or business unit 21 that you worked in complied with state and 22 federal law?</p>
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<p>1 for a legal conclusion. 2 THE WITNESS: I can't answer that. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. Why can't you answer that? 5 A. Because I can't tell you, I'm not an 6 attorney and I did not review it. 7 Q. Would you expect that Abbott's 8 consignment arrangements were in compliance with 9 state and federal law? 10 MR. WINCHESTER: Objection, form. 11 THE WITNESS: I expect that everything 12 that Abbott does is within all guidelines. 13 BY MS. ST. PETER-GRIFFITH: 14 Q. Who would you rely upon to ensure that 15 the work that you were doing and the contracts 16 that you were negotiating within Home Infusion 17 were in compliance with state and federal law? 18 A. I rely on my superiors. 19 Q. Who was that when you were in Home 20 Infusion? 21 A. Mike Sellers. 22 Q. What about when you were at Alt. Site,</p>	<p>1 A. I've never had -- 2 MR. WINCHESTER: I think I know your 3 answer, but I would instruct you that you are not 4 to answer the question if it would require you to 5 reveal the substance of any communication you had 6 with counsel for Abbott. 7 If you can answer it without revealing 8 that sort of communication, go ahead. 9 THE WITNESS: When I was in -- I'm 10 sorry. Would you -- 11 MS. ST. PETER-GRIFFITH: Sure. Can you 12 read back the question, please. 13 (WHEREUPON said record was read 14 back as requested.) 15 THE WITNESS: When I was in Alternate 16 Site product sales, I never had any reason to 17 question and never saw any documents. I did see 18 a document when I was in Home Infusion. 19 BY MS. ST. PETER-GRIFFITH: 20 Q. And was this that letter that you were 21 referencing? 22 A. Yes.</p>

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<p>1 Q. Did you have any concerns at any time 2 when you were in Home Infusion that what you were 3 doing may not have complied with state and 4 federal law? 5 A. I never did, no. 6 Q. Did you ever have any compliance 7 questions at all that you raised with anyone? 8 A. Not to my memory. 9 Q. And when I say "compliance" because I 10 know that there's a different term, or that same 11 term is used differently within HPD, I mean 12 compliance with state and federal law, okay. Can 13 we just agree upon that for purposes -- 14 A. Sure. 15 Q. Okay. If a compliance question ever 16 arose, who would you take it to? 17 MR. WINCHESTER: Objection, 18 speculation, hypothetical. 19 THE WITNESS: I would take it to my 20 superior first if anything like that would have 21 occurred. But to my memory it did not. 22 BY MS. ST. PETER-GRIFFITH:</p>	<p>1 A. I did not. 2 Q. Did you ever at any time evaluate AWP 3 and whether or not Abbott's ability to -- strike 4 that. 5 Did you ever at any time evaluate 6 whether or not Abbott could profit from a 7 particular product or on a particular product if 8 it purchased that product at AWP? 9 MR. WINCHESTER: Objection, form. 10 THE WITNESS: If a client purchased 11 that product? 12 BY MS. ST. PETER-GRIFFITH: 13 Q. No, if Abbott did. 14 A. If Abbott purchased a product at AWP? 15 Q. Right. 16 A. I don't understand the question. 17 Q. Okay. If Abbott had cause to purchase 18 a product -- or let me ask it this way: Did you 19 ever know Abbott to evaluate whether or not it 20 should purchase a product at AWP? 21 MR. WINCHESTER: Objection, form. 22 THE WITNESS: No. Any product that was</p>
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<p>1 Q. Ma'am, a while back we were discussing 2 what was permissible and not permissible for the 3 sales force to discuss with clients. 4 Are you aware of at any time any 5 prohibition against the disclosure of 6 reimbursement or AWP information to Abbott HPD 7 clients? 8 MR. WINCHESTER: Objection, form. 9 THE WITNESS: No, I'm not. 10 BY MS. ST. PETER-GRIFFITH: 11 Q. Do you know whether any Abbott HPD 12 sales force members ever discussed reimbursement 13 or AWP matters with HPD clients? 14 MR. WINCHESTER: Objection, 15 speculation. 16 THE WITNESS: I would have no 17 knowledge. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. Did you ever? 20 A. Absolutely not. 21 Q. Did you ever at any time evaluate the 22 AWP of a product and its impact on reimbursement?</p>	<p>1 purchased by Abbott was by prescription from the 2 physician. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. And as part of the Home Infusion 5 business unit, did Abbott procure product on 6 behalf of its Home Infusion clients? 7 A. Not on, yes, in a way, yes, if we did 8 the mixing from our pharmacy. 9 Q. Can you explain that? 10 A. We had three pharmacies. Some of our 11 clients did not want to be in the pharmacy 12 business but they didn't want their patients 13 going to competitors, competitor hospitals. So 14 they wanted to start up their own home infusion 15 company, and they would ask us to do all of the 16 ad. mixing for them in our pharmacy. That was 17 all done by prescriptions. So if a physician 18 ordered a product and it was not Abbott, we 19 bought whatever the physician told us to 20 purchase. 21 Q. Who do you recall were your clients 22 within Home Infusion that you worked with?</p>

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<p style="text-align: right;">Page 122</p> <p>1 A. Children's Memorial, University of 2 Michigan. 3 Q. Did University of Michigan's home 4 infusion business operate under a different name 5 that you can recall? 6 A. I don't remember. 7 Northwestern, Loyola, Cedar Sinai, 8 University of Chicago, Aurora Medical purchased 9 or utilized the CHIP system only, Carl Clinic, 10 University Health Services, OSU. 11 Q. What is OSU? 12 A. Ohio State. 13 Q. Is that University Health Services, is 14 that OSU or -- 15 A. That's different. That's in Ohio. 16 Q. Okay. 17 A. Those are the ones that come to mind. 18 Q. Did you work with Baylor? 19 A. Yes. 20 Q. Now, in terms of working with 21 Northwestern, did Abbott have a different 22 arrangement with them other than a consignment</p>	<p style="text-align: right;">Page 124</p> <p>1 your client? 2 A. Yes. 3 Q. And what would happen to that product? 4 A. I don't remember for one hundred 5 percent, but I would assume that they purchased 6 it. 7 Q. Do you know what price they purchased 8 it at? 9 A. Their new contract price. 10 Q. What about for those twenty percent or 11 so customers that didn't enter into a contract 12 with Alt. Site? 13 A. I don't remember what happened to that. 14 Q. Is there anything else about the 15 closure of the Home Infusion business unit that 16 you can recall? 17 A. No. 18 Q. Do you recall what physically happened 19 to the materials that were within the Home 20 Infusion business unit? 21 A. They were sent to corporate records and 22 the computers were sent to salvage.</p>
<p style="text-align: right;">Page 123</p> <p>1 arrangement? 2 A. No. 3 Q. Did you work with Northwestern to build 4 out a pharmacy? 5 A. Yes. 6 Q. Did that come to fruition? Is the 7 pharmacy built out? 8 A. Yes. 9 Q. Is there anything else that you can 10 recall that we haven't discussed here today 11 concerning the closure of the Home Infusion 12 business unit and the process for doing that? 13 MR. WINCHESTER: Objection, form. 14 THE WITNESS: I can tell you that it 15 went very smoothly. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. How so? 18 A. Clients understood our position and 19 were in the most part very willing to continue 20 utilizing Abbott product. 21 Q. When you closed out a contract, was 22 there still at times product that was still with</p>	<p style="text-align: right;">Page 125</p> <p>1 Q. And the computers were sent to where? 2 A. Salvage. 3 Q. Do you know whether anyone extracted 4 information from the computers before they were 5 sent to salvage? 6 A. I don't remember. 7 Q. So is it possible that computers were 8 sent to -- well, what is salvage? 9 A. It's a place where Abbott would take 10 used equipment and sometimes sell it, reuse it. 11 Q. Do you recall having any concerns about 12 information that was on these computers? 13 MR. WINCHESTER: Objection, form. 14 THE WITNESS: No. 15 BY MS. ST. PETER-GRIFFITH: 16 Q. What about like manuals and training 17 materials and different materials that were in 18 hard copy within the Home Infusion business unit, 19 what happened to them? 20 A. We didn't have very many of them. I 21 assume they were sent to corporate records. I 22 didn't have any in my office.</p>

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<p style="text-align: right;">Page 126</p> <p>1 Q. Was there any protocol at the time of</p> <p>2 the closure of the Home Infusion business unit</p> <p>3 concerning the preservation of Home Infusion</p> <p>4 records and information?</p> <p>5 A. Yes.</p> <p>6 Q. What was that protocol?</p> <p>7 A. We all met with corporate records many</p> <p>8 times and were given instructions as to what the</p> <p>9 retention rate would be. And it was different</p> <p>10 between if it was patient record from one of our</p> <p>11 pharmacies and then it was different if it was an</p> <p>12 adult or a child from one of our pharmacies. But</p> <p>13 I don't remember what those numbers of years are.</p> <p>14 Q. What about for documents that were not</p> <p>15 patient records?</p> <p>16 A. They were sent to corporate records,</p> <p>17 but I don't know how long they were retained.</p> <p>18 Q. Are you aware of any activities that</p> <p>19 took place within Home Infusion whereby certain</p> <p>20 members of the staff, for example David Brincks</p> <p>21 and others, just engaged in a wholesale house</p> <p>22 cleaning and threw away materials?</p>	<p style="text-align: right;">Page 128</p> <p>1 Q. Do you know whether any provisions were</p> <p>2 made for the retention of nonpatient files such</p> <p>3 as operating manuals or manuals that were</p> <p>4 utilized within Home Infusion for Home Infusion's</p> <p>5 business operations?</p> <p>6 A. One copy of such item should have been</p> <p>7 sent to corporate records. That was the</p> <p>8 intention.</p> <p>9 Q. Do you know whether it was?</p> <p>10 A. I don't physically remember seeing it</p> <p>11 in a box. When I give a request to someone, I</p> <p>12 expect it to be followed.</p> <p>13 Q. Okay. So you requested that?</p> <p>14 A. Yes.</p> <p>15 Q. But you didn't personally verify that</p> <p>16 it was done?</p> <p>17 A. I trust my people.</p> <p>18 Q. Were you aware of or was, were you</p> <p>19 aware of any litigation hold memos that might</p> <p>20 have impacted or informed decision making</p> <p>21 concerning the retention of records within the</p> <p>22 Home Infusion business unit at the time of its</p>
<p style="text-align: right;">Page 127</p> <p>1 MR. WINCHESTER: Objection, form.</p> <p>2 THE WITNESS: I never worked with David</p> <p>3 Brincks.</p> <p>4 BY MS. ST. PETER-GRIFFITH:</p> <p>5 Q. Oh, I'm sorry. Bruce Rodman.</p> <p>6 A. Am I aware --</p> <p>7 Q. Let me reask the question.</p> <p>8 A. Thank you.</p> <p>9 Q. Were you aware that Bruce Rodman and</p> <p>10 others engaged in a house cleaning of sorts of</p> <p>11 the Home Infusion business unit and threw away</p> <p>12 nonpatient materials such as training materials,</p> <p>13 manuals, and hard copy information that was</p> <p>14 maintained within Home Infusion?</p> <p>15 A. That was never communicated to me.</p> <p>16 Q. Would that have been something that you</p> <p>17 would have approved?</p> <p>18 MR. WINCHESTER: Objection, form,</p> <p>19 hypothetical.</p> <p>20 THE WITNESS: If it was duplicate of</p> <p>21 something that we had, yes.</p> <p>22 BY MS. ST. PETER-GRIFFITH:</p>	<p style="text-align: right;">Page 129</p> <p>1 closure?</p> <p>2 A. Any litigation?</p> <p>3 Q. Litigation hold memoranda or</p> <p>4 instructions.</p> <p>5 A. There wasn't anything against Home</p> <p>6 Infusion.</p> <p>7 Q. When you say "there wasn't anything</p> <p>8 against Home Infusion," what do you mean?</p> <p>9 A. None of our clients were suing us, if</p> <p>10 that's what you mean.</p> <p>11 Q. Well, were you -- let me ask you this</p> <p>12 question: Did you ever receive or were you aware</p> <p>13 that Abbott's Home Infusion business unit needed</p> <p>14 to retain documents and information that</p> <p>15 pertained to the litigation that's at issue in</p> <p>16 this case?</p> <p>17 MR. WINCHESTER: Objection, form,</p> <p>18 mischaracterizes.</p> <p>19 MS. ST. PETER-GRIFFITH: Jason, I'd</p> <p>20 appreciate it if you'd just limit, under the</p> <p>21 federal rules, your objections to form objections</p> <p>22 and not make speaking objections.</p>

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<p>1 MR. WINCHESTER: Well, that's not the 2 federal rules, Ann. I'm entitled to state a 3 basis for the objection. 4 MS. ST. PETER-GRIFFITH: When I ask 5 you. 6 MR. WINCHESTER: One word is not a 7 speaking objection. 8 MS. ST. PETER-GRIFFITH: Go ahead. 9 MR. WINCHESTER: No, not when you ask 10 me. My objections are proper. Move on. 11 BY MS. ST. PETER-GRIFFITH: 12 Q. You can answer the question. 13 A. I do not remember, but that would have 14 more to do with reimbursement, with the 15 reimbursement group than me. 16 Q. Why do you see it would have more to do 17 with the reimbursement group than you? 18 A. Are you referring to AWP? 19 Q. Well, this litigation concerns AWP. 20 But why do you feel that a litigation hold memo 21 concerning this litigation is more properly 22 directed to reimbursement as opposed to your</p>	<p>1 Q. Well, do you know whether a document 2 had to mention AWP in order to be responsive to a 3 litigation hold memo or discovery requests in 4 this case? 5 A. I wasn't aware of this case until 6 earlier in the year. 7 Q. So you and your staff then did nothing 8 to preserve records or documents concerning or 9 incident to a litigation hold memo relating to 10 the AWP litigation? 11 A. Reimbursement would have. They were 12 the only ones that had AWP information. 13 Q. But "Yes" or "No," your department did 14 or did not? 15 MR. WINCHESTER: Objection, 16 speculation. 17 THE WITNESS: Yes. They retained it. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. Yes, your department retained it? 20 A. Yes. 21 Q. How do you know your department 22 retained it?</p>
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<p>1 sales force? 2 A. Well, neither I nor the sales force had 3 any AWP information. 4 Q. Well, you negotiated the contracts; 5 didn't you? 6 A. Yes. But that didn't include AWP 7 information. 8 Q. Let me ask you this: Did your sales, 9 did the individuals that you were responsible for 10 as well as yourself, did any of you retain 11 records pursuant to a litigation hold memo 12 concerning the AWP litigation? 13 A. We didn't have anything to retain. 14 Q. Why do you say you didn't have anything 15 to retain? 16 A. Because there was no need for us to 17 have any AWP information. 18 Q. Well, how do you know whether or not 19 your documents were responsive to litigation 20 requests in this matter? 21 A. How do I know? Because it didn't 22 mention AWP. My documents didn't mention AWP.</p>	<p>1 A. Because there was a letter that was 2 sent to the managers and possibly the field, I 3 don't remember, instructing that to occur. 4 Q. What did you and your staff do in order 5 to retain documents after receiving the 6 litigation hold memoranda? 7 A. I didn't throw anything away. 8 Q. What did you do with those documents? 9 A. They went to corporate records. 10 Q. Did you at any time verify that 11 information was being retained in compliance with 12 the litigation hold memoranda by you or your 13 staff? 14 A. No. 15 Q. What kind of computers did you have or 16 did you utilize within the Home Infusion business 17 unit -- let me ask it this way: Did you have a 18 personal computer on your desk? 19 A. Yes. 20 Q. What happened to that computer when you 21 left Home Infusion? 22 A. It went to salvage.</p>

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<p style="text-align: right;">Page 134</p> <p>1 Q. Did you do anything to back up or 2 produce the information on your computer prior to 3 your computer going to salvage? 4 A. No. 5 Q. Did you print off any or did you print 6 off the information on your computer prior to 7 your computer going to salvage? 8 A. Oh, sure. I did that all the time. 9 Q. What about e-mail, how many e-mail did 10 you generally use or did you receive or send 11 during this time frame? 12 MR. WINCHESTER: I'm sorry. Which time 13 frame? 14 MS. ST. PETER-GRIFFITH: During the 15 time frame that she was within Home Infusion. 16 THE WITNESS: E-mail wasn't used very 17 much back then. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. It wasn't used in 2000, 2002? 20 A. It was used, but I can tell you not 21 like it is today. 22 Q. Did you print off every e-mail you</p>	<p style="text-align: right;">Page 136</p> <p>1 Q. Did you have a separate litigation hold 2 folder? 3 A. No. 4 Q. What did you do with that information 5 in the folder on your computer? 6 A. It stayed there. 7 Q. Did you print it off before your 8 computer was sent to salvage? 9 A. No. 10 Q. Are you aware of any efforts at the 11 time of the closure of the Home Infusion business 12 unit to search individual computers for 13 information that might be the subject of 14 litigation hold memoranda? 15 A. I don't remember, but I wouldn't have 16 been involved in that. 17 Q. Who would have? 18 A. Somebody from IT. 19 Q. Do you remember anyone from IT coming 20 down and doing that? 21 A. I remember IT people being around. I 22 believe they were even on our floor, but I don't,</p>
<p style="text-align: right;">Page 135</p> <p>1 received? 2 A. Not every e-mail. There was no need to 3 print it off. It could have been the cafeteria 4 menu. 5 Q. Well, how do you know -- did you print 6 off every e-mail that was responsive to the 7 litigation hold memoranda that you received? 8 A. That came hard copy. 9 Q. What do you mean? 10 A. That memorandum came hard copy. 11 Q. Let me clarify my question for you. 12 A. Okay. Thank you. 13 Q. When did you receive the first lit. 14 hold memo? Do you recall? 15 A. I don't recall, I don't recall. 16 Q. After you received it, what did you do 17 in terms of your e-mail practices to ensure that 18 if you received an e-mail that was responsive to 19 the lit. hold instructions that it was maintained 20 and preserved? 21 A. If I would have had any information, I 22 would have put it into a folder on my e-mail.</p>	<p style="text-align: right;">Page 137</p> <p>1 that was not anything that I needed to be aware 2 of. 3 Q. Well, you were at that point in time 4 the head of Home Infusion; weren't you? 5 A. Yes. 6 Q. Would it have been important for you to 7 ensure that before the computers were sent to 8 salvage that information on those computers that 9 was responsive to a litigation hold memo was 10 preserved before they were sent to salvage? 11 MR. WINCHESTER: Objection, form, 12 argumentative. 13 THE WITNESS: Anything like that would 14 have been hard copy from the reimbursement 15 department. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. So you're telling me now that anything 18 that was on your computer or your staff's 19 computer other than reimbursement was not 20 responsive to a litigation hold request? 21 A. I didn't have any information regarding 22 AWP on my computer. There wasn't anything to</p>

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<p style="text-align: right;">Page 138</p> <p>1 save.</p> <p>2 Q. But there might be additional documents</p> <p>3 that were responsive to the litigation hold</p> <p>4 request that didn't just involve AWP. Did you</p> <p>5 understand that?</p> <p>6 A. I don't even remember the document</p> <p>7 specifically. But if I was told to do something,</p> <p>8 I did it.</p> <p>9 Q. So what did you do, if anything, prior</p> <p>10 to the closure of the Home Infusion business unit</p> <p>11 to ensure that your Home Infusion business unit</p> <p>12 complied with the litigation hold memos?</p> <p>13 MR. WINCHESTER: Objection, asked and</p> <p>14 answered.</p> <p>15 THE WITNESS: I didn't personally check</p> <p>16 anyone's computer.</p> <p>17 BY MS. ST. PETER-GRIFFITH:</p> <p>18 Q. Did you issue any instructions with</p> <p>19 regard to the search or preservation of that</p> <p>20 information?</p> <p>21 A. Only what was sent out, the original</p> <p>22 memo.</p>	<p style="text-align: right;">Page 140</p> <p>1 what they preserved.</p> <p>2 Q. Well, what do you recall them doing in</p> <p>3 response to the receipt of the litigation hold</p> <p>4 memoranda that you forwarded to them?</p> <p>5 A. I don't recall anything.</p> <p>6 Q. Other than forwarding the litigation</p> <p>7 hold memoranda, do you recall doing anything else</p> <p>8 with regard to the Home Infusion business unit in</p> <p>9 response to the litigation hold memoranda?</p> <p>10 A. I don't recall.</p> <p>11 Q. Did you personally search your files in</p> <p>12 your computer information to see if you had</p> <p>13 documents responsive to the lit. hold memoranda?</p> <p>14 A. I would have, yes.</p> <p>15 Q. Do you have a recollection of doing</p> <p>16 that?</p> <p>17 A. I recall searching for different</p> <p>18 things. I can't tell you for sure if it was</p> <p>19 that.</p> <p>20 Q. Do you recall any other activity that</p> <p>21 you partook in regarding the litigation hold</p> <p>22 memoranda?</p>
<p style="text-align: right;">Page 139</p> <p>1 Q. Did you distribute the original memo to</p> <p>2 your staff?</p> <p>3 A. I forwarded it, yes.</p> <p>4 Q. And what did you do to verify that your</p> <p>5 staff complied with that memo at any time?</p> <p>6 MR. WINCHESTER: Objection, asked and</p> <p>7 answered.</p> <p>8 THE WITNESS: I didn't specifically do</p> <p>9 anything.</p> <p>10 BY MS. ST. PETER-GRIFFITH:</p> <p>11 Q. So it's possible that they didn't</p> <p>12 comply with it and you would have no way of</p> <p>13 knowing?</p> <p>14 MR. WINCHESTER: Objection,</p> <p>15 speculation.</p> <p>16 THE WITNESS: Highly unlikely.</p> <p>17 BY MS. ST. PETER-GRIFFITH:</p> <p>18 Q. When you say "highly unlikely," why do</p> <p>19 you say that?</p> <p>20 A. Because these people were responsible</p> <p>21 for all kinds of confidential information</p> <p>22 regarding patients. They were very rigorous in</p>	<p style="text-align: right;">Page 141</p> <p>1 A. No.</p> <p>2 Q. Ma'am, I'd like to go back to AWP --</p> <p>3 well, let me ask you, was there any software that</p> <p>4 was retained at the time of the closure of the</p> <p>5 Home Infusion business unit?</p> <p>6 A. The CHIP software.</p> <p>7 Q. What happened to that software?</p> <p>8 A. We negotiated a contract with a company</p> <p>9 in I believe Vermont that was going to take over</p> <p>10 maintenance of that for the clients that wanted</p> <p>11 to remain on that.</p> <p>12 Q. Did Abbott still own a proprietary</p> <p>13 interest in the CHIP system?</p> <p>14 A. Yes.</p> <p>15 Q. Do you still?</p> <p>16 A. I don't know.</p> <p>17 Q. At the time that you left or at the</p> <p>18 time of the spin, did Abbott still to your</p> <p>19 knowledge own the rights to the CHIP system?</p> <p>20 A. I don't know.</p> <p>21 Q. Do you have any idea what happened to</p> <p>22 the CHIP system other than a company in Vermont</p>

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<p style="text-align: right;">Page 142</p> <p>1 may have maintained it?</p> <p>2 A. No.</p> <p>3 Q. Earlier you had testified or you had</p> <p>4 said that you were responsible for payor mix. Do</p> <p>5 you recall that?</p> <p>6 A. Yes.</p> <p>7 MR. WINCHESTER: Objection.</p> <p>8 BY MS. ST. PETER-GRIFFITH:</p> <p>9 Q. What does that mean?</p> <p>10 A. What percent is private pay, what</p> <p>11 percent is Medicare, what percent is Medicaid.</p> <p>12 Q. What were your responsibilities for</p> <p>13 payor mix?</p> <p>14 A. To report that to contract marketing.</p> <p>15 When we would present a contract request, that</p> <p>16 would be one of the things that would be in</p> <p>17 there.</p> <p>18 Q. How did the payor mix impact your</p> <p>19 decision making with regard to the negotiation of</p> <p>20 that contract?</p> <p>21 A. It was never my decision. I was told</p> <p>22 either we're going to go forward with something</p>	<p style="text-align: right;">Page 144</p> <p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. Ma'am, what did you learn about AWP</p> <p>3 when you were in Home Infusion?</p> <p>4 A. That some payors used AWP in their</p> <p>5 formula for payment to us.</p> <p>6 Q. Did you have an understanding as to AWP</p> <p>7 being somewhat of a reliable indicator for the</p> <p>8 actual market prices for the products?</p> <p>9 MR. WINCHESTER: Objection, form.</p> <p>10 THE WITNESS: I never had any knowledge</p> <p>11 of that. I never dealt with AWP. I just knew it</p> <p>12 was in the formula.</p> <p>13 BY MS. ST. PETER-GRIFFITH:</p> <p>14 Q. Would you have dealt with AWP in the</p> <p>15 context of purchasing product that was used for</p> <p>16 compounding by the pharmacy?</p> <p>17 A. Any product that was purchased was</p> <p>18 purchased because the physician prescribed it.</p> <p>19 Q. Okay. How did Abbott Home Infusion go</p> <p>20 about purchasing that product that was needed</p> <p>21 pursuant to the physician prescription, that was</p> <p>22 a nonAbbott product?</p>
<p style="text-align: right;">Page 143</p> <p>1 or not.</p> <p>2 Q. Do you know why contract marketing</p> <p>3 would request the information or would need the</p> <p>4 information?</p> <p>5 MR. WINCHESTER: Objection,</p> <p>6 speculation.</p> <p>7 THE WITNESS: I assume based on history</p> <p>8 whether or not we were going to get paid by</p> <p>9 certain payors.</p> <p>10 BY MS. ST. PETER-GRIFFITH:</p> <p>11 Q. Did you ever discuss with anyone why it</p> <p>12 was that you were collecting this information for</p> <p>13 them?</p> <p>14 A. No.</p> <p>15 Q. Would it have been important for you to</p> <p>16 know why they needed to know what the payor mix</p> <p>17 was?</p> <p>18 MR. WINCHESTER: Objection, form.</p> <p>19 THE WITNESS: Yes. Well, it's</p> <p>20 important for me because we wanted to make, stay</p> <p>21 in business. And we weren't very good at it I</p> <p>22 guess because we went out of business.</p>	<p style="text-align: right;">Page 145</p> <p>1 A. I don't know.</p> <p>2 Q. Do you know who within Home Infusion</p> <p>3 had that responsibility for securing that</p> <p>4 product?</p> <p>5 A. Somebody in the pharmacies.</p> <p>6 Q. Oh, somebody in the pharmacies?</p> <p>7 A. Right.</p> <p>8 Q. Well, would the need to procure that</p> <p>9 nonAbbott product impact contract negotiations?</p> <p>10 A. Yes.</p> <p>11 Q. How would it impact contract</p> <p>12 negotiations?</p> <p>13 A. We would only purchase nonAbbott</p> <p>14 product if we were doing the mixing. So we would</p> <p>15 be paid for mixing as well.</p> <p>16 Q. So that would increase Abbott's fee?</p> <p>17 A. Correct.</p> <p>18 Q. Would Abbott under the consignment</p> <p>19 arrangements secure the product on behalf of the</p> <p>20 client, or would it be up to the client to secure</p> <p>21 it and get it to the Abbott pharmacy?</p> <p>22 A. We ordered it.</p>

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<p style="text-align: right;">Page 146</p> <p>1 Q. How is the cost for that product</p> <p>2 accounted for under the consignment arrangement?</p> <p>3 A. It's not because anybody that, we</p> <p>4 didn't do a consigned inventory for somebody that</p> <p>5 we mixed for because we managed all patients.</p> <p>6 Q. Can you explain what you mean by that?</p> <p>7 A. Children's Memorial, for example, we</p> <p>8 did the mixing for them. They didn't want to be</p> <p>9 in the infusion business but yet they wanted to</p> <p>10 have an infusion, a home infusion company, so the</p> <p>11 patients wouldn't go to Lutheran General. They</p> <p>12 wanted to retain their patients.</p> <p>13 So we did all of their ad. mixing for</p> <p>14 them, we delivered the product to their patients.</p> <p>15 They never physically touched the product. No</p> <p>16 one at, with the exception of their nurses, no</p> <p>17 one at Children's Memorial physically touched the</p> <p>18 product.</p> <p>19 Q. Who would be the recipient of the</p> <p>20 reimbursement for that product? Would it be</p> <p>21 billed to a third-party payor under Children's</p> <p>22 name or under Abbott's name?</p>	<p style="text-align: right;">Page 148</p> <p>1 component part of the product would be factored</p> <p>2 into the compensation for the compounding?</p> <p>3 A. Yes.</p> <p>4 MR. WINCHESTER: Objection, form.</p> <p>5 BY MS. ST. PETER-GRIFFITH:</p> <p>6 Q. When Abbott pharmacies purchased</p> <p>7 nonAbbott product, do you know what price they</p> <p>8 paid?</p> <p>9 A. No.</p> <p>10 Q. Do you know whether they participated</p> <p>11 in a group purchasing organization?</p> <p>12 A. I don't know.</p> <p>13 Q. Do you know whether that was part of</p> <p>14 the contractual negotiations or arrangements, the</p> <p>15 securing of that product for Abbott's pharmacies?</p> <p>16 A. With a client for example?</p> <p>17 Q. Yes, with a client.</p> <p>18 A. Yes, because we would have to supply</p> <p>19 whatever the physician ordered.</p> <p>20 Q. Do you recall whether Abbott's</p> <p>21 contracts or their proposals to clients discussed</p> <p>22 Abbott's participation in group purchasing</p>
<p style="text-align: right;">Page 147</p> <p>1 MR. WINCHESTER: Objection, form.</p> <p>2 THE WITNESS: I believe under</p> <p>3 Children's name.</p> <p>4 We couldn't do it, I remember hearing</p> <p>5 that it was under Children's name. We were</p> <p>6 billing on their behalf.</p> <p>7 BY MS. ST. PETER-GRIFFITH:</p> <p>8 Q. When you say "we couldn't do it," what</p> <p>9 do you mean?</p> <p>10 A. I just remember hearing we can't do</p> <p>11 that, it's got to be under the client's name.</p> <p>12 Q. Who told you that? Do you recall?</p> <p>13 A. No.</p> <p>14 Q. In terms of paying for that product</p> <p>15 that's ultimately compounded, how would under</p> <p>16 this consignment arrangement payment for that</p> <p>17 product work?</p> <p>18 A. You mean under the mixing agreement?</p> <p>19 Q. Yes.</p> <p>20 A. It was a percentage again.</p> <p>21 Q. So Abbott's pharmacy would procure the</p> <p>22 product, and then the compensation for that</p>	<p style="text-align: right;">Page 149</p> <p>1 organizations?</p> <p>2 A. I never remember seeing that. Why</p> <p>3 would they care?</p> <p>4 Q. Well, if Abbott could secure the</p> <p>5 nonAbbott product at a lower price, wouldn't that</p> <p>6 impact both Abbott and the client?</p> <p>7 A. I never thought about that.</p> <p>8 Q. Who would be responsible for monitoring</p> <p>9 that?</p> <p>10 A. The pharmacy director was the person</p> <p>11 ordering, or someone in the pharmacy. He</p> <p>12 specifically wouldn't do the ordering.</p> <p>13 Q. Prior to negotiating a contract, if</p> <p>14 there was the possibility that there was going to</p> <p>15 be a need to compound or mix nonAbbott products,</p> <p>16 how would that be accounted for as part of the</p> <p>17 negotiation process in working with the client?</p> <p>18 MR. WINCHESTER: Objection, form.</p> <p>19 THE WITNESS: For example, if a client</p> <p>20 had a large chemo patient population, we didn't</p> <p>21 manufacture I think all but one, we only</p> <p>22 manufactured one chemo agent. That percentage</p>

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<p style="text-align: right;">Page 150</p> <p>1 would be greater than if we would have those 2 products. 3 Does that answer your question? 4 MS. ST. PETER-GRIFFITH: I think so. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. So Abbott would just expect a greater 7 percentage because it would have to go out and 8 secure the nonAbbott product? 9 A. Right. 10 Q. And you have no idea at what price 11 point or price level Abbott's pharmacies would 12 secure that product at? 13 A. I do not. 14 Q. Was there any consideration that you 15 know of that was made in identifying Abbott's 16 ability to secure nonAbbott product either 17 through a group purchasing organization or at a 18 lower rate other than at the list price of the 19 drug manufacturer that Abbott's pharmacies were 20 purchasing the nonAbbott product from? 21 MR. WINCHESTER: Objection, form. 22 THE WITNESS: Am I aware of any effort</p>	<p style="text-align: right;">Page 152</p> <p>1 A. Yes. 2 Q. When was that decision made? 3 A. I don't know. 4 Q. Well, was it prior to your assuming 5 directorship? 6 A. It was because they were all closed by 7 that time. 8 Q. Oh, so you learned about the slowdown 9 in '99. 10 A. Right. 11 Q. You assumed the directorship in 2000, 12 and somewhere in between that period of time the 13 Abbott pharmacies closed? 14 A. Yeah. The one in New Jersey closed 15 first, and then California closed. I can't 16 remember if Chicago or California closed first. 17 Q. So if these pharmacies closed in or 18 around 2000, how did Abbott service its 19 obligations for compounding under its existing 20 contracts for the next two years? 21 A. Children's Memorial was already, their 22 contract had expired long before that. And I'm</p>
<p style="text-align: right;">Page 151</p> <p>1 to do that? 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Or was there any conversation that was 4 made? 5 A. I wasn't involved in that. I don't 6 know. 7 Q. Would that have been a contract 8 marketing issue? 9 MR. WINCHESTER: Objection, form. 10 THE WITNESS: I don't believe so. 11 BY MS. ST. PETER-GRIFFITH: 12 Q. What about after you assumed 13 responsibility for directorship of Home Infusion, 14 did the purchase of nonAbbott products by Abbott 15 pharmacies come on your radar screen at all? 16 A. It didn't because we didn't have any 17 pharmacies at that time. 18 Q. That goes to my next question. You 19 mentioned at one point in time after the decision 20 to slow down the Home Infusion department the 21 decision was made to close the Abbott pharmacies; 22 is that right?</p>	<p style="text-align: right;">Page 153</p> <p>1 not aware of who the other pharmacies were even 2 mixing for. So I don't know. 3 Q. Well, do you know whether at the time 4 that the Abbott pharmacies closed there were any 5 outstanding contractual obligations for the 6 provision of compounding services? 7 A. No. I don't know that, not in Chicago. 8 Q. Not in Chicago? 9 A. Not to my knowledge. 10 Q. But you became the director of Home 11 Infusion though; right? Would that have been 12 something that would have come under your 13 supervision? 14 MR. WINCHESTER: Objection, form. 15 THE WITNESS: No, because it was 16 already done when I became director. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. So by the time that you became 19 director, there were no more Abbott pharmacies 20 and there were no more obligations to provide 21 compounding services to any of the Home Infusion 22 clients?</p>

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<p style="text-align: right;">Page 154</p> <p>1 A. Correct.</p> <p>2 Q. Okay. Ma'am, going back to the CHIP</p> <p>3 system a little bit. After Abbott licensed the</p> <p>4 CHIP software to the company in Vermont, did</p> <p>5 Abbott receive a percentage payment or some kind</p> <p>6 of royalty or any type of fee for the CHIP</p> <p>7 system?</p> <p>8 MR. WINCHESTER: Objection, form.</p> <p>9 THE WITNESS: Yes. Our clients, I</p> <p>10 can't really remember all the details, but I</p> <p>11 believe we did charge the clients that wanted to</p> <p>12 stay on the system, we charged them a one-time</p> <p>13 fee.</p> <p>14 BY MS. ST. PETER-GRIFFITH:</p> <p>15 Q. One-time fee. Do you remember what</p> <p>16 that was?</p> <p>17 A. No.</p> <p>18 Q. Did the CHIP system include information</p> <p>19 from Red Book?</p> <p>20 A. I was told last time it did.</p> <p>21 Q. But you don't have any personal</p> <p>22 recollection of that?</p>	<p style="text-align: right;">Page 156</p> <p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. Anyone else?</p> <p>3 A. Phil Hollenbeck.</p> <p>4 Q. Can you spell that, please?</p> <p>5 A. H-O-L-L-E-N-B-E-C-K, I believe, who was</p> <p>6 the director of Pharmacy.</p> <p>7 Q. Anyone else?</p> <p>8 A. No, not that I know of.</p> <p>9 Q. What was your familiarity with the CHIP</p> <p>10 system?</p> <p>11 A. That it was an inventory management</p> <p>12 system. Clients or our Abbott pharmacies would</p> <p>13 load all the patient information in there, the</p> <p>14 prescriptions, it would help print out the</p> <p>15 prescriptions. It assisted in reimbursement.</p> <p>16 That's what I remember.</p> <p>17 Q. Do you know how it assisted in</p> <p>18 reimbursement?</p> <p>19 A. No.</p> <p>20 Q. What was your familiarity of how the</p> <p>21 Abbott reimbursement department worked?</p> <p>22 A. Describe "familiarity."</p>
<p style="text-align: right;">Page 155</p> <p>1 A. No. I never went on the CHIP system.</p> <p>2 Q. Do you know whether Abbott Home</p> <p>3 Infusion at any time during your tenure with</p> <p>4 Abbott Home Infusion, do you know whether it had</p> <p>5 a subscription to Red Book?</p> <p>6 A. I wasn't aware of that.</p> <p>7 Q. Would it surprise you to learn that</p> <p>8 they did?</p> <p>9 A. No.</p> <p>10 MR. WINCHESTER: Objection, form.</p> <p>11 BY MS. ST. PETER-GRIFFITH:</p> <p>12 Q. Do you know whether the, do you know</p> <p>13 how -- strike that.</p> <p>14 If Red Book information was contained</p> <p>15 on the CHIP system, do you know how that</p> <p>16 licensure arrangement worked?</p> <p>17 A. No. I have no idea.</p> <p>18 Q. Whose bailiwick I guess within Abbott</p> <p>19 Home Infusion did the CHIP system fall under?</p> <p>20 MR. WINCHESTER: Objection, form.</p> <p>21 THE WITNESS: Various people. At the</p> <p>22 end it was Bruce Rodman.</p>	<p style="text-align: right;">Page 157</p> <p>1 Q. Sure. How did you understand the</p> <p>2 Abbott reimbursement department working?</p> <p>3 A. We had maintained the patient records -</p> <p>4 - this is how I thought it happened. Clients</p> <p>5 would load all the patient information into the</p> <p>6 CHIP system. All of our reimbursement people had</p> <p>7 access to the CHIP system. They could print out</p> <p>8 forms when they were, which was a big deal when</p> <p>9 we could go electronic. So they could print out</p> <p>10 forms for clients, and then we would</p> <p>11 electronically bill, towards the end we had that</p> <p>12 capability.</p> <p>13 Q. Do you remember when that capacity to</p> <p>14 electronically bill came into place?</p> <p>15 A. I don't remember.</p> <p>16 Q. Prior to the electronic billing, was</p> <p>17 billing done in hard copy form on those forms</p> <p>18 that were printed out?</p> <p>19 A. Yes.</p> <p>20 Q. Do you know where those forms were</p> <p>21 maintained or stored?</p> <p>22 A. In the patient record.</p>

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<p style="text-align: right;">Page 158</p> <p>1 Q. Were the patient records part of the</p> <p>2 records that you indicated went to the corporate</p> <p>3 records at the closure?</p> <p>4 A. If they were in, if they were from our</p> <p>5 pharmacy, we kept them in corporate records. If</p> <p>6 they were in the client's, if the client's</p> <p>7 pharmacy was mixing for them, all of those</p> <p>8 records went back to the clients.</p> <p>9 Q. So if there was hard copy billing</p> <p>10 documents and Abbott's pharmacy was not involved,</p> <p>11 did Abbott keep any record itself of the hard</p> <p>12 copy billing documents outside of the patient</p> <p>13 files?</p> <p>14 A. Yes.</p> <p>15 Q. Where did it maintain those?</p> <p>16 A. Well, did they keep it -- I</p> <p>17 misunderstood your question. No. There was no</p> <p>18 other place. It all went into the specific</p> <p>19 patient file.</p> <p>20 Q. And when Abbott Home Infusion, as it</p> <p>21 would phase out clients would it turn over the</p> <p>22 patient files to the clients?</p>	<p style="text-align: right;">Page 160</p> <p>1 any attempt -- let me ask you this: Was there</p> <p>2 any attempt to evaluate, prior to turning over</p> <p>3 those patient files, the need to retain copies of</p> <p>4 any documents in those patient files incident to</p> <p>5 a litigation hold memoranda?</p> <p>6 A. I don't know.</p> <p>7 Q. Do you know who would have made that</p> <p>8 evaluation?</p> <p>9 A. The reimbursement manager.</p> <p>10 Q. Who was the reimbursement manager?</p> <p>11 A. Mike Snouffer.</p> <p>12 Q. Mike Snouffer?</p> <p>13 A. Uh-huh. All of the reimbursement</p> <p>14 information that we did for clients was on the</p> <p>15 CHIP system.</p> <p>16 Q. Even if there was hard copy billing?</p> <p>17 A. Sure. And the CHIP system files were</p> <p>18 all maintained. They were all on the server.</p> <p>19 Q. Would the CHIP system show the actual</p> <p>20 forms themselves that were sent out?</p> <p>21 A. Yes.</p> <p>22 Q. Do you know where it would be on the</p>
<p style="text-align: right;">Page 159</p> <p>1 A. Yes.</p> <p>2 Q. Was there any effort made whatsoever to</p> <p>3 retain information concerning Abbott's billing on</p> <p>4 behalf of its Home Infusion clients who did not</p> <p>5 subscribe to Abbott's pharmacy services?</p> <p>6 A. I don't believe so.</p> <p>7 Q. Was there any other way to track</p> <p>8 Abbott's hard copy billing for Home Infusion</p> <p>9 other than to make copies of those forms that</p> <p>10 were put in the patient files?</p> <p>11 A. No. That's the only place they were</p> <p>12 kept.</p> <p>13 Q. Was there any consideration made to</p> <p>14 retaining information or copies of those forms</p> <p>15 after the litigation hold memoranda went out?</p> <p>16 A. Anything having to do with the patient</p> <p>17 and their reimbursement was kept in the patient</p> <p>18 file.</p> <p>19 Q. Which were turned over as clients were</p> <p>20 phased out?</p> <p>21 A. Right.</p> <p>22 Q. So there was no attempt to, was there</p>	<p style="text-align: right;">Page 161</p> <p>1 CHIP system?</p> <p>2 A. Could I find it, no. I mean there's a</p> <p>3 section under Reimbursement that they can access.</p> <p>4 I don't know where they keep it.</p> <p>5 Q. Do you know when the CHIP system was</p> <p>6 initiated?</p> <p>7 A. No. Before I came over.</p> <p>8 Q. Is there any way to identify on the</p> <p>9 CHIP system prior to electronic billing -- let me</p> <p>10 ask you this: Prior to electronic billing, how</p> <p>11 were the hard copies of the bills that were sent</p> <p>12 out to third-party payors maintained on the CHIP</p> <p>13 system?</p> <p>14 A. Hard copies were kept in the patient</p> <p>15 file.</p> <p>16 Q. And is that the only way, the only</p> <p>17 place where you could find them?</p> <p>18 A. To my knowledge, yes, because</p> <p>19 everything else was on the CHIP system. So it</p> <p>20 would be a duplicate.</p> <p>21 Q. Was the actual hard copy form on the</p> <p>22 CHIP system?</p>

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<p style="text-align: right;">Page 162</p> <p>1 A. It wasn't a hard copy. But when we 2 printed it out, it looked the same. 3 Q. So there would be a HCFA 1500 form for 4 example? 5 A. Yes. 6 Q. And if that was on the CHIP system, you 7 could just print it out? 8 A. Yes. That's my understanding, yes. 9 Q. What happened to the CHIP's data? 10 A. It was retained on a server, but I 11 don't know which server or how that really works. 12 Q. Would there be anything that was on the 13 hard copy form that was not on the CHIPS? 14 A. Should not be, no, because it would 15 have to be typed in, and no one had typewriters. 16 So I can't imagine. 17 MS. ST. PETER-GRIFFITH: We've got five 18 minutes left on the tape. So why don't we take a 19 break now. Do you want to take a lunch break 20 now? Jason, is that good? 21 MR. WINCHESTER: That's fine. 22 MS. ST. PETER-GRIFFITH: Is that good</p>	<p style="text-align: right;">Page 164</p> <p>1 AFTERNOON SESSION 2 3 THE VIDEOGRAPHER: We are back on the 4 record at 1:12 p.m. with the start of Tape No. 3. 5 6 KARLA KREKLOW, 7 having been previously duly sworn, was examined 8 and testified further as follows: 9 10 EXAMINATION (Continuing) 11 BY MS. ST. PETER-GRIFFITH: 12 Q. Good afternoon, Ms. Kreklow. 13 A. Good afternoon. 14 Q. We're going to start looking at some 15 documents. I'm going to try not to repeat the 16 ones you've seen before, but there are a couple 17 areas I want to finish up before we do. 18 First, we were talking just before the 19 lunch break about the hard copies of the claims 20 form which you said could be printed off the CHIP 21 system. 22 A. Yes.</p>
<p style="text-align: right;">Page 163</p> <p>1 for you, Ms. Kreklow? 2 THE WITNESS: Yes. Thanks very much. 3 THE VIDEOGRAPHER: We are off the 4 record at 12:05 p.m. with the end of Tape 2. 5 (WHEREUPON a lunch recess was 6 taken, and said deposition continued as follows:) 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22</p>	<p style="text-align: right;">Page 165</p> <p>1 Q. When did that capability first come 2 into play? When was it that Abbott started 3 storing on the CHIP system the hard copies of the 4 claims forms? 5 A. I don't know. 6 Q. Do you know when the CHIP system came 7 into existence? 8 A. It was some point in time when I had 9 recently started in product sales. 10 Q. Recently started in Alt. Site product 11 sales? 12 A. Yes. 13 Q. So sometime in the '90s? 14 A. Right. 15 Q. Early '90s? 16 A. Yes. 17 Q. Do you know at that point in time 18 whether you could actually store the claims form 19 on CHIPS? 20 A. I had nothing to do with it at that 21 time. 22 Q. For claims forms that were not retained</p>

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1 on the CHIP system, would those just be hard copy
 2 retained in the Home Infusion patient files?
 3 A. Yes.
 4 Q. At the time of the closure of Home
 5 Infusion, those then, if they were not retained
 6 on the CHIP system, would the only copy have gone
 7 to whoever the client was?
 8 A. I don't know.
 9 Q. We've covered your job
 10 responsibilities. I just want to make sure that
 11 during the last period of time when you were in
 12 Home Infusion, that we exhaust your memory on any
 13 other responsibilities that you may have had when
 14 you were the director of Home Infusion.
 15 A. Okay.
 16 Q. Do you recall any other
 17 responsibilities that you had during that time
 18 period that we haven't discussed already?
 19 A. No, I don't.
 20 Q. After the closure of Home Infusion --
 21 well, let me ask you, do you recall which month
 22 Home Infusion was formally not in existence?

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1 A. The end of December.
 2 Q. December '02?
 3 A. Yes.
 4 Q. What did you do after that within the
 5 Hospital Products Division?
 6 A. Area sales director for anesthesia
 7 products.
 8 Q. Did you remain in that position until
 9 the time of the spin?
 10 A. I still have that same title, the same
 11 position.
 12 Q. And the anesthesia product line I
 13 assume went to PPD and was not part of the spin
 14 operation?
 15 A. Correct.
 16 Q. Ma'am, did you ever hear about the Ross
 17 or Abbott's criminal plea with regard to conduct
 18 by its Ross products division?
 19 A. Yes.
 20 Q. What do you know about that?
 21 A. From what I read in the Chicago paper,
 22 that some representatives in Texas were advising

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1 I believe a distributor on how to bill. Although
 2 I don't know why that was being done.
 3 Q. Did you have any concerns when you
 4 learned about that, about any of the practices or
 5 about the legality or possible problems
 6 associated with any of the practices within the
 7 Hospital Products Division?
 8 A. No.
 9 Q. Why not?
 10 MR. WINCHESTER: Objection, form.
 11 THE WITNESS: Because we never told
 12 anybody how to bill.
 13 BY MS. ST. PETER-GRIFFITH:
 14 Q. But you did do billing on behalf of
 15 clients; right?
 16 A. Sure.
 17 Q. Other than what you read in the Chicago
 18 paper, do you have any other familiarity with the
 19 Ross case?
 20 A. No.
 21 Q. Are you familiar with any compliance
 22 initiatives that were undertaken after the Ross

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1 criminal plea?
 2 A. I don't know if it was a direct result
 3 of that or not, but we did and still do have
 4 several modules that we are required to take and
 5 pass every year. And a few of the questions on
 6 one of the modules, I don't remember which one,
 7 talk about reimbursement, and that is not to be
 8 discussed with clients or customers.
 9 Q. Do you recall participating or viewing,
 10 either participating in a live meeting or viewing
 11 a video of a live meeting entitled "Safeguarding
 12 Trust"?
 13 A. Yes.
 14 Q. What is that?
 15 A. That's one of those modules.
 16 Q. Okay. Did anyone ever ask you to
 17 evaluate the business practices of either Alt.
 18 Site or Home Infusion after the Ross criminal
 19 plea?
 20 A. No.
 21 Q. Are you familiar with the term DOJ
 22 AWP's?

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<p>1 A. Yes.</p> <p>2 Q. What is a DOJ AWP?</p> <p>3 A. At some point in time when I was in</p> <p>4 Home Infusion some states had a change in AWP.</p> <p>5 Q. And how did you know that?</p> <p>6 A. It was in one of the home care</p> <p>7 newsletters that I get, or used to get.</p> <p>8 Q. Is that an outside source?</p> <p>9 A. Yes.</p> <p>10 Q. It's not an Abbott-generated source?</p> <p>11 A. No.</p> <p>12 Q. Did you have any other understanding of</p> <p>13 the term DOJ AWP?</p> <p>14 A. Just from what I read there that some</p> <p>15 of the AWP's had changed in some states.</p> <p>16 Q. Were you aware that -- let me ask you</p> <p>17 this: At any time did anyone ever ask you as the</p> <p>18 director of Home Infusion to evaluate the impact</p> <p>19 of DOJ AWP's upon Abbott's Home Infusion business</p> <p>20 unit?</p> <p>21 A. No.</p> <p>22 Q. Are you aware of any studies that were</p>	<p>1 A. No.</p> <p>2 Q. Are you familiar with the TAP criminal</p> <p>3 plea?</p> <p>4 A. Yes. I know it was for a large sum of</p> <p>5 money, but I don't remember what it was for.</p> <p>6 Q. And what do you know? How did you come</p> <p>7 to learn that about the TAP criminal plea?</p> <p>8 A. It was in the Chicago Tribune.</p> <p>9 Q. So from the paper?</p> <p>10 A. Right.</p> <p>11 Q. Do you recall at any time any</p> <p>12 discussions within Abbott about either the Ross</p> <p>13 criminal plea, settlement agreement and CIA, or</p> <p>14 the TAP criminal plea, settlement, and CIA?</p> <p>15 A. No.</p> <p>16 Q. Do you recall anyone at any time saying</p> <p>17 hey, you know, maybe we should evaluate our</p> <p>18 policies, practices, and procedures within Home</p> <p>19 Infusion or Alt. Site in light of the Ross CIA or</p> <p>20 the TAP CIA?</p> <p>21 MR. WINCHESTER: Objection, form.</p> <p>22 THE WITNESS: No.</p>
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<p>1 done concerning changes to AWP's in the early</p> <p>2 2000s, 2000, 2001, 2002, and the impact that it</p> <p>3 might have on Abbott's customers?</p> <p>4 A. I didn't initiate anything like that.</p> <p>5 Q. I'm not asking if you initiated it. My</p> <p>6 question is a little bit broader than that.</p> <p>7 Are you aware of or did you learn of</p> <p>8 any reviews or studies that were undertaken</p> <p>9 concerning changes in AWP's and the impact upon</p> <p>10 Abbott's business within the Hospital Products</p> <p>11 Division?</p> <p>12 A. To a certain degree, yes.</p> <p>13 Q. What are you familiar with?</p> <p>14 A. A client, University of Michigan,</p> <p>15 looked at it.</p> <p>16 Q. Okay.</p> <p>17 A. And that's all I remember about it.</p> <p>18 Q. What about within Abbott? Do you</p> <p>19 recall any directives from above you like at the</p> <p>20 Don Robertson level, Rick Gonzalez level, or even</p> <p>21 above that, to evaluate the impact of changes</p> <p>22 upon AWP to your particular business unit?</p>	<p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. Ma'am, are you familiar with the term</p> <p>3 "spread"?</p> <p>4 A. Yes.</p> <p>5 Q. Are you familiar with the term "spread</p> <p>6 marketing"?</p> <p>7 A. No.</p> <p>8 Q. What is spread?</p> <p>9 A. In the context that I learned about it</p> <p>10 last time, that we talked about it last time, it</p> <p>11 is the difference between what is billed and what</p> <p>12 is paid.</p> <p>13 Q. Are you aware of any prohibitions at</p> <p>14 Abbott within the Hospital Products Division upon</p> <p>15 spread marketing activities?</p> <p>16 A. I am not.</p> <p>17 MR. WINCHESTER: Objection, form.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. Did you participate in the drafting of</p> <p>20 any Significant Events Reports?</p> <p>21 A. Yes.</p> <p>22 Q. Which Significant Events Reports?</p>

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<p style="text-align: right;">Page 174</p> <p>1 MR. WINCHESTER: Objection, form. 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Let me ask this: Were there 4 Significant Events Reports within Alt. Site 5 itself, or were they just HPD Significant Events 6 Reports? 7 A. Well, it's nothing formal. When we 8 would have one-on-ones with our superiors, we 9 would send in beforehand a Significant Events for 10 the last month or whatever. 11 Q. So you drafted Significant Events and 12 then would hand them in to, for example, Mike 13 Sellers? 14 A. Right. 15 Q. Did you participate in any drafting of 16 any Significant Events Reports that Mike Sellers 17 authored and sent on to his superiors? 18 A. No. 19 Q. Do you know where the Significant 20 Events Reports are that you drafted when you 21 submitted them to Mike Sellers? 22 A. Should be in his file.</p>	<p style="text-align: right;">Page 176</p> <p>1 is to start going over some exhibits, okay? 2 A. Okay. 3 Q. This one is -- 4 MS. ST. PETER-GRIFFITH: And what I'd 5 like to do, Jason, is just mark these, so that 6 we're not trying to keep track of the Texas 7 numbers, just Kreklow Exhibit 1, Exhibit 2. 8 I know that we went over this before, 9 but I've actually got -- 10 MR. WINCHESTER: Wait a minute. How 11 were they marked the first time? 12 MS. ST. PETER-GRIFFITH: They were 13 marked with, we had two different numbers. We 14 had like, we started I think in the 800 range and 15 then we moved on to 1104. 16 MR. WINCHESTER: So Ray and Riklin all 17 used Texas numbers? 18 MS. ST. PETER-GRIFFITH: They all used 19 Texas numbers, yes. 20 MR. WINCHESTER: So we don't have 21 another set of Kreklow 1 through whatever? 22 MS. ST. PETER-GRIFFITH: No, no. We do</p>
<p style="text-align: right;">Page 175</p> <p>1 Q. Did you retain copies? 2 A. No. 3 Q. Did you retain any copies 4 electronically, like on your computer? 5 A. Yes. 6 Q. At the time of the Home Infusion 7 closure, did you print off any of those and 8 retain them? 9 A. After Mike left I didn't provide 10 Significant Events. 11 Q. Okay. What about prior to -- when you 12 say "when Mike left," when do you mean? 13 A. When I took over Home Infusion. 14 Q. When you took over Home Infusion, did 15 you have any contact with Mr. Sellers at all? 16 A. Well, I still reported to him, but we 17 were about ten miles apart. 18 Q. So at the time that he moved to a 19 different location, that's when you stopped 20 providing Significant Events Reports? 21 A. To my memory, yes. 22 Q. Ma'am, what I'd like to do at this time</p>	<p style="text-align: right;">Page 177</p> <p>1 not. 2 MR. WINCHESTER: So some of these are 3 going to be the same documents, though we're just 4 going to have two different exhibit designations 5 on them? 6 MS. ST. PETER-GRIFFITH: Right, 7 exactly. I think we're only going to have maybe 8 a couple that repeat. I'm trying to reduce 9 those. 10 MR. WINCHESTER: Okay. This is Kreklow 11 1 you just gave me? 12 MS. ST. PETER-GRIFFITH: Kreklow 1. 13 (WHEREUPON Deposition Exhibit 14 Kreklow 001 was marked as of 2/7/2008 and 15 tendered to the witness.) 16 THE WITNESS: Okay. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Ma'am, do you recall reviewing this 19 document? 20 A. Last time. 21 Q. The last time at your deposition. 22 A. Yes.</p>

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<p style="text-align: right;">Page 178</p> <p>1 Q. And I believe your testimony before was</p> <p>2 you did not recall this document previously.</p> <p>3 A. That's true.</p> <p>4 Q. Since your last deposition, has your</p> <p>5 memory been refreshed at all as to whether you</p> <p>6 may have reviewed this document prior to your</p> <p>7 last deposition?</p> <p>8 A. No.</p> <p>9 Q. If you could look at the top and at the</p> <p>10 bottom. Can I just ask you, was that the</p> <p>11 standard Alternate Site contract marketing I</p> <p>12 guess letterhead, for lack of a better word?</p> <p>13 A. I don't know. I don't know if it was</p> <p>14 or not.</p> <p>15 Q. Had you seen this before, this type of</p> <p>16 letterhead?</p> <p>17 A. It looks vaguely familiar, but I can't</p> <p>18 tell you because I would have never gotten</p> <p>19 anything normally that would have that on there.</p> <p>20 Q. That would have this type of --</p> <p>21 A. Yeah, that logo or whatever you want to</p> <p>22 call it.</p>	<p style="text-align: right;">Page 180</p> <p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. Ma'am, there are a couple of exhibits</p> <p>3 that I only have two copies of, so I'm going to</p> <p>4 ask you to slide it on over to Jason so that he</p> <p>5 could take a look at it first.</p> <p>6 MR. WINCHESTER: Ann, I think you might</p> <p>7 have given us one that has your handwriting on</p> <p>8 it. It's got some pen, what appears to be fresh</p> <p>9 pen.</p> <p>10 MS. ST. PETER-GRIFFITH: We can mark</p> <p>11 this as the next exhibit actually.</p> <p>12 (WHEREUPON Deposition Exhibit</p> <p>13 Kreklow 002 was re-marked as of 2/7/2008.)</p> <p>14 BY MS. ST. PETER-GRIFFITH:</p> <p>15 Q. If you want to take a few minutes to</p> <p>16 look at this. (Document tendered to the</p> <p>17 witness.)</p> <p>18 A. Okay.</p> <p>19 Q. Ma'am, do you recognize this document?</p> <p>20 A. No, not particularly, no.</p> <p>21 Q. I appreciate that it's from 1996.</p> <p>22 It appears to be a memorandum addressed</p>
<p style="text-align: right;">Page 179</p> <p>1 Q. Does reviewing this document now</p> <p>2 refresh your recollection with regard to AWP</p> <p>3 issues that you might have been involved in?</p> <p>4 A. No.</p> <p>5 Q. Do you know why you would have been on</p> <p>6 this memo?</p> <p>7 A. No.</p> <p>8 Q. Is there anyone that you can see on the</p> <p>9 cc list that would have a better familiarity with</p> <p>10 the issues concerning Red Book and AWP?</p> <p>11 A. Not to my knowledge, no.</p> <p>12 Q. Is everyone on this list some kind of</p> <p>13 sales marketing manager?</p> <p>14 A. Some national account managers, there</p> <p>15 are some NAMs, two marketing managers, a sales</p> <p>16 director, distributor, distributor manager, and</p> <p>17 then I don't know what Cindy Dawson did.</p> <p>18 Q. Do you recall at any time, independent</p> <p>19 of this document, do you recall at any time</p> <p>20 discussing AWP's or Red Book or reimbursement with</p> <p>21 Mr. Kipperman?</p> <p>22 A. No.</p>	<p style="text-align: right;">Page 181</p> <p>1 to the area business managers including you as</p> <p>2 well as business development and regional nurse</p> <p>3 consultants. Do you see that?</p> <p>4 A. Right.</p> <p>5 Q. Do you have any doubt that you would</p> <p>6 have received this memo?</p> <p>7 A. I don't remember getting it.</p> <p>8 Q. But did you normally receive sales</p> <p>9 results memoranda from Michael Calsin?</p> <p>10 A. Yes.</p> <p>11 Q. If you'll note in the body of this</p> <p>12 memorandum, the second sentence says "As you will</p> <p>13 notice on the following pages, I have now</p> <p>14 adjusted the sales reports to reflect the recent</p> <p>15 organization of HIS field staff." Do you see</p> <p>16 that?</p> <p>17 A. Yes.</p> <p>18 Q. Do you know what recent organization is</p> <p>19 being referenced there?</p> <p>20 A. No.</p> <p>21 Q. Do you recall any reorganization or</p> <p>22 changes in or around the first few months of</p>

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<p style="text-align: right;">Page 182</p> <p>1 1996?</p> <p>2 A. No.</p> <p>3 (WHEREUPON Deposition Exhibit</p> <p>4 Kreklow 003 was marked as of 2/7/2008.)</p> <p>5 BY MS. ST. PETER-GRIFFITH:</p> <p>6 Q. We're going to actually spend some time</p> <p>7 on this particular document, ma'am, so take your</p> <p>8 time in reading it. (Document tendered to the</p> <p>9 witness.)</p> <p>10 A. I'm done.</p> <p>11 Q. Okay. Ma'am, do you recognize this</p> <p>12 document?</p> <p>13 A. No.</p> <p>14 Q. Are you familiar with the issue raised</p> <p>15 in it concerning the product, is it Ceredase?</p> <p>16 A. Yes.</p> <p>17 Q. What are you familiar with?</p> <p>18 A. This reminded me of it.</p> <p>19 Q. What do you recall about the Ceredase</p> <p>20 issue?</p> <p>21 A. Only from what I read. That's what I</p> <p>22 recall. But it was familiar to me.</p>	<p style="text-align: right;">Page 184</p> <p>1 A. Yes.</p> <p>2 Q. What's that?</p> <p>3 A. Children's Memorial Hospital. I don't</p> <p>4 know what the "R" is for.</p> <p>5 Q. Is that a Home Infusion client?</p> <p>6 A. It was, yes.</p> <p>7 Q. It appears that the Home Infusion</p> <p>8 client made a request to either take on patients</p> <p>9 or to have Abbott provide Ceredase; is that fair?</p> <p>10 A. That's right.</p> <p>11 Q. If you could flip to the back page</p> <p>12 first, under where it says Item 7 "This</p> <p>13 information has been shared with Charles Such at</p> <p>14 CM Healthcare, and he understands that we will</p> <p>15 not be taking on any Ceredase patients." Do you</p> <p>16 see that?</p> <p>17 A. Yes.</p> <p>18 Q. What does that mean that "we will not</p> <p>19 be taking on"? Does that mean that Abbott</p> <p>20 pharmacies will not be taking on or that CMHCR</p> <p>21 will not be taking on?</p> <p>22 A. We, Abbott.</p>
<p style="text-align: right;">Page 183</p> <p>1 Q. How is it familiar to you?</p> <p>2 A. Because when I read it, something in my</p> <p>3 brain said you know about this.</p> <p>4 Q. You remember an issue coming up?</p> <p>5 A. Yes.</p> <p>6 Q. Is Ceredase a drug product that was an</p> <p>7 Abbott product?</p> <p>8 A. No.</p> <p>9 Q. So in April of '96 you were in Home</p> <p>10 Infusion?</p> <p>11 A. Yes.</p> <p>12 Q. Was Lynn Leone in Home Infusion?</p> <p>13 A. Yes.</p> <p>14 Q. Do you know why Lynn Leone wrote this</p> <p>15 memorandum?</p> <p>16 A. No.</p> <p>17 Q. And you're one of the addressees;</p> <p>18 right?</p> <p>19 A. Yes.</p> <p>20 Q. The memorandum appears to be notifying</p> <p>21 you that a request had been made from CMHR;</p> <p>22 right?</p>	<p style="text-align: right;">Page 185</p> <p>1 Q. What does that mean in terms of you, if</p> <p>2 Abbott did not take on Ceredase patients, what</p> <p>3 did that mean for the Home Infusion client?</p> <p>4 A. That they would continue to have the</p> <p>5 drug provided by Nova Factor.</p> <p>6 Q. Now, Ceredase appears to be a very</p> <p>7 expensive drug?</p> <p>8 A. Yes.</p> <p>9 Q. According to this memorandum, Ms. Leone</p> <p>10 or someone made an inquiry and determined that</p> <p>11 Abbott could only acquire the drug at AWP; right?</p> <p>12 A. That's what it says, right.</p> <p>13 Q. Do you recall an issue about that</p> <p>14 coming up, about needing to buy Ceredase at AWP?</p> <p>15 A. No. Again, I'm sure I was told that</p> <p>16 and I read it here, but I don't remember that.</p> <p>17 Q. Did Abbott make money off the nonAbbott</p> <p>18 products that it compounded at its pharmacies?</p> <p>19 MR. WINCHESTER: Objection, form.</p> <p>20 THE WITNESS: I don't know.</p> <p>21 BY MS. ST. PETER-GRIFFITH:</p> <p>22 Q. Well, if Abbott acquired the drug, this</p>

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<p style="text-align: right;">Page 186</p> <p>1 particular drug product, Ceredase, at AWP and was 2 able to acquire it at AWP -- 3 A. Yes. 4 Q. -- and it could be billed at AWP, why 5 not cover the Ceredase patient? 6 MR. WINCHESTER: Objection, 7 hypothetical. 8 THE WITNESS: Because we would have to 9 deliver the product, bill for the product, and 10 that would be a cost up and above the AWP. So we 11 would be losing money. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. Okay. In Item 6 it says "Since our 14 cost is AWP, there was no way that we can make 15 any money on this drug." Do you see that? 16 A. Yes. 17 Q. Why couldn't Abbott charge separately 18 for its compounding fee in addition to the AWP? 19 MR. WINCHESTER: Objection, form. 20 THE WITNESS: I don't know. But that 21 wouldn't cover delivery costs and everything else 22 that went along with it.</p>	<p style="text-align: right;">Page 188</p> <p>1 THE WITNESS: They didn't purchase the 2 product at AWP. They had it on consignment. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. So they didn't pay anything for the 5 product until such time as a percentage of the 6 reimbursement was collected by Abbott? 7 A. That's correct. 8 Q. Let's go to before you were at Home 9 Infusion, when you were at Alt. Site, or I'm 10 sorry, yes, Alt. Site product sales. 11 A. Product sales. 12 Q. If Abbott's clients within Alt. Site 13 product sales bought product at AWP, could they 14 make a profit? 15 MR. WINCHESTER: Objection, 16 hypothetical. 17 THE WITNESS: It would depend on the 18 payor. 19 BY MS. ST. PETER-GRIFFITH: 20 Q. How so? 21 A. If a private pay company would pay more 22 than AWP, if they acquired it at AWP, then they</p>
<p style="text-align: right;">Page 187</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. Why couldn't delivery costs be 3 allocated in the per diem? 4 MR. WINCHESTER: Objection, form. 5 THE WITNESS: It may not be a per diem. 6 BY MS. ST. PETER-GRIFFITH: 7 Q. Did you have an understanding that if 8 drug products are charged at AWP, the biller for 9 that product could not make a profit? 10 A. No. What this tells me is that we 11 couldn't get this product at a discount. So 12 we're not going to provide it because our cost 13 would be higher. 14 Q. As a former national account manager, 15 do you know whether your clients had the some 16 philosophy? 17 A. I don't know. 18 Q. Well, if all of your clients purchased 19 Abbott product at AWP, do you know how they could 20 make a profit? 21 MR. WINCHESTER: Objection, 22 hypothetical.</p>	<p style="text-align: right;">Page 189</p> <p>1 would make money. If they didn't, they wouldn't. 2 But I don't know if, I don't have any knowledge 3 of that. 4 Q. Do you know whether it was important 5 when you were a NAM within product sales, whether 6 it was important for your clients to procure 7 product at a discounted amount less than AWP? 8 A. I did not know that. 9 Q. Did you have any discussions at any 10 time when you were a NAM about AWP with any of 11 your clients? 12 A. Never. 13 MS. ST. PETER-GRIFFITH: Mark this as 14 the next exhibit, please. 15 (WHEREUPON Deposition Exhibit 16 Kreklow 004 was marked as of 2/7/2008.) 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Okay. Ma'am, can you tell me what is 19 this document? (Document tendered to the 20 witness.) 21 A. It's an explanation of my commission. 22 Q. How were you compensated when you were</p>

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<p style="text-align: right;">Page 190</p> <p>1 within Home Infusion?</p> <p>2 A. For signing accounts and for</p> <p>3 implementing accounts in a proper way so they</p> <p>4 would grow.</p> <p>5 Q. Did you have a base salary?</p> <p>6 A. Yes.</p> <p>7 Q. But you also had commissions?</p> <p>8 A. Yes.</p> <p>9 Q. What does this document reflect?</p> <p>10 MR. WINCHESTER: Hold on. I don't mean</p> <p>11 to interrupt in the middle of a question, but I</p> <p>12 think for matters dealing with sort of personal</p> <p>13 information like this, Becky hasn't been marking</p> <p>14 them as exhibits when it's people's personal</p> <p>15 info.</p> <p>16 MS. ST. PETER-GRIFFITH: Okay. Well,</p> <p>17 we can keep this as a highly confidential</p> <p>18 document. That's fine.</p> <p>19 MR. WINCHESTER: I mean I think that's</p> <p>20 been the process. Just so we're not having any</p> <p>21 risk of airing people's personal financial</p> <p>22 information.</p>	<p style="text-align: right;">Page 192</p> <p>1 Q. Did any of your sales force operate on</p> <p>2 a commission basis?</p> <p>3 A. Yes.</p> <p>4 Q. Did they also have a base salary and</p> <p>5 then they worked off a partial commission as</p> <p>6 well?</p> <p>7 A. Yes.</p> <p>8 Q. So it was in their best interests too</p> <p>9 to see these contracts signed up and thrive?</p> <p>10 A. Sure.</p> <p>11 Q. Did you start to see your commissions</p> <p>12 change during the course of your tenure within</p> <p>13 Home Infusion?</p> <p>14 A. Sometimes they went up, sometimes they</p> <p>15 went down.</p> <p>16 Q. Did they go down as you approached the</p> <p>17 closure of Home Infusion?</p> <p>18 A. Not to my recollection.</p> <p>19 Q. Did you have or did you maintain this</p> <p>20 compensation structure during your entire tenure</p> <p>21 when you were in Home Infusion?</p> <p>22 A. I had an incentive program.</p>
<p style="text-align: right;">Page 191</p> <p>1 MS. ST. PETER-GRIFFITH: Sure, sure.</p> <p>2 And for everything what we can do is we'll treat</p> <p>3 these as highly confidential documents.</p> <p>4 Is there a question pending?</p> <p>5 MR. WINCHESTER: There was. I</p> <p>6 interrupted. I'm sorry. I think you just said</p> <p>7 what is the document.</p> <p>8 (WHEREUPON said record was read</p> <p>9 back as requested.)</p> <p>10 THE WITNESS: It's an explanation of my</p> <p>11 incentive.</p> <p>12 BY MS. ST. PETER-GRIFFITH:</p> <p>13 Q. And how did your general, you don't</p> <p>14 have to go through and explain item by item, but</p> <p>15 generally how did your incentive work?</p> <p>16 A. I got a certain amount for signing a</p> <p>17 new agreement and a certain amount for properly</p> <p>18 implementing new clients so that they could start</p> <p>19 to grow sooner rather than later.</p> <p>20 Q. So it was in your best interest then to</p> <p>21 see Home Infusion sort of thrive?</p> <p>22 A. Sure.</p>	<p style="text-align: right;">Page 193</p> <p>1 Q. Did you have an incentive program when</p> <p>2 you were a NAM?</p> <p>3 A. Yes, I did.</p> <p>4 Q. So prior to joining Home Infusion, you</p> <p>5 had an incentive program?</p> <p>6 A. Yes.</p> <p>7 Q. Was it similar to this? How did it</p> <p>8 work?</p> <p>9 MR. WINCHESTER: Objection, form.</p> <p>10 THE WITNESS: I can't remember.</p> <p>11 BY MS. ST. PETER-GRIFFITH:</p> <p>12 Q. So this reflects, just generally, from</p> <p>13 July to December of '96 you received an incentive</p> <p>14 commission of \$9,479?</p> <p>15 A. Right.</p> <p>16 Q. Generally, what percentage of your</p> <p>17 income as an Abbott Home Infusion employee was</p> <p>18 allocated to base salary as opposed to --</p> <p>19 A. Base salary was greater.</p> <p>20 Q. Base salary was greater?</p> <p>21 A. Uh-huh.</p> <p>22 Q. Can you give a general approximation as</p>

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<p style="text-align: right;">Page 194</p> <p>1 to what percentage of your compensation was 2 attributable to commission? 3 A. Fifteen percent maybe, twenty percent. 4 Q. Well, I assume it might have varied 5 from year to year? 6 A. Yes. There was always a target, and it 7 followed some Abbott guidelines, but I don't 8 remember what that is. 9 Q. Did you have input into what those 10 targets would be? 11 A. No. 12 Q. Who set the target? 13 A. I don't know. 14 Q. Could it have been Mike Sellers or 15 someone above you? 16 MR. WINCHESTER: Objection, form. 17 THE WITNESS: It was a corporate 18 directive. 19 BY MS. ST. PETER-GRIFFITH: 20 Q. So it would have been someone outside 21 of HPD? 22 A. Yes.</p>	<p style="text-align: right;">Page 196</p> <p>1 and regional nurse consultants? 2 A. Yes. 3 Q. The second sentence of the text says 4 "At this point in the campaign, your sales should 5 be running at or above fifty percent of your base 6 sales." 7 A. Right. 8 Q. Do you see that? 9 A. Yes. 10 Q. First of all, do you know what campaign 11 is being referenced in this memo? 12 A. In HPD we split the year into two six- 13 month campaigns. For sales, it's for rep 14 purposes. 15 Q. Do you know what it means when the memo 16 says "your sales should be running at or above 17 fifty percent of your base sales"? 18 A. Yes. 19 Q. What does that mean? 20 A. It means that the sales through March, 21 it's three months. So the campaign is six 22 months, they should be fifty percent there.</p>
<p style="text-align: right;">Page 195</p> <p>1 Q. Within the personnel department? Do 2 you know? 3 A. I don't know. 4 MS. ST. PETER-GRIFFITH: Mark this as 5 the next exhibit. 6 (WHEREUPON Deposition Exhibit 7 Kreklow 005 was marked as of 2/7/2008.) 8 BY MS. ST. PETER-GRIFFITH: 9 Q. Ma'am, you don't necessarily need to 10 study this. Take as much time as you need, but 11 I'm only going to be asking you really about the 12 first couple of pages, the first three pages I 13 guess. The top one is a file folder cover it 14 appears. (Document tendered to the witness.) 15 A. Okay. 16 Q. Ma'am, the second page of this document 17 appears to be another one of those sales results 18 memoranda? 19 A. Yes. 20 Q. Is that what that is? 21 And you received that along with other 22 area business managers and business development</p>	<p style="text-align: right;">Page 197</p> <p>1 Q. The attachment to this document, do you 2 recognize maybe not necessarily this document but 3 the format of this document? 4 A. Yes. 5 Q. What is this? 6 A. It's sales results for the specific 7 areas and by the specific representative. 8 Q. Were these distributed quarterly? 9 A. Oh, I don't remember. 10 Q. Do you remember receiving them on some 11 form of regular basis? 12 A. Yes. 13 Q. Do you know where copies would be 14 retained or maintained? 15 A. No. 16 Q. Did you retain copies of these as part 17 of your own records? 18 A. Yes. 19 Q. Do you still have them? 20 A. They would be in corporate records for 21 mine. I don't know where Mike Calsin's are. 22 Q. So when you left Home Infusion, did</p>

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<p style="text-align: right;">Page 198</p> <p>1 they go to corporate records or when Home 2 Infusion closed? 3 A. They went to corporate records. 4 Q. Did all of your documents when you were 5 in Home Infusion go to corporate records? 6 A. Yes. 7 Q. So you started a new in anesthesia with 8 new computer, new files? 9 A. Correct. 10 Q. Do you recall how these sales summaries 11 were generated, or do you know how these sales 12 summaries were generated? 13 A. I don't know. 14 Q. Did you have to input any information 15 to assist someone like Mike Calsin in producing 16 this information? 17 A. No. 18 Q. Who is Mike Calsin? 19 A. Contract marketing analyst, or whatever 20 it says here. 21 Q. Do you recall him personally? 22 A. Sure.</p>	<p style="text-align: right;">Page 200</p> <p>1 Q. During what period of time was she the 2 manager? 3 A. She left shortly, I would guess about 4 six months after I started in Home Infusion. 5 Q. So I mean this memo is dated '97. So 6 clearly she wasn't there for that long, right, 7 while you were there? 8 A. Not that I remember. 9 Well, yes, I do believe she was because 10 I worked with her on several contracts. So she 11 was. I just remember I was very sad to see her 12 go. 13 Q. You liked working with her? 14 A. Yeah, I did. But I don't remember. 15 She left sometime in the summer of a year. I 16 don't know which year. 17 MR. WINCHESTER: Let me just say 18 gratuitously for the record that Renee was 19 beating my head in in court just last week saying 20 we had not given you guys any documents showing 21 financial performance for Home Infusion. So I'm 22 happy to see all of these.</p>
<p style="text-align: right;">Page 199</p> <p>1 Q. So he worked in contract marketing? 2 A. Yes. 3 Q. But that was separate and distinct from 4 your sales role? 5 A. Yes. 6 Q. Did he ever work for you? 7 A. Yes. 8 Q. He did? 9 A. Yes. 10 Q. When you were the director of Home 11 Infusion? 12 A. Yes. 13 Q. Did his responsibilities change? 14 A. Yes. 15 Q. How did they change? 16 A. He was the contract marketing manager 17 at that time. 18 Q. At that time? 19 A. Yes. 20 Q. Was there a woman who you said was also 21 the contract marketing manager? 22 A. Kathy Riddle.</p>	<p style="text-align: right;">Page 201</p> <p>1 (WHEREUPON Deposition Exhibit 2 Kreklow 006 was marked as of 2/7/2008.) 3 BY MS. ST. PETER-GRIFFITH: 4 Q. Ma'am, I'm just going to ask you 5 briefly is this another one of the every six 6 month reports that you get concerning your 7 incentive? (Document tendered to the witness.) 8 A. Yes. 9 Q. And this is for '97? 10 A. Yes. 11 Q. Did you retain copies of these? 12 A. It would be in my file, yes. 13 Q. In your file that ultimately went to 14 corporate records? 15 A. Right. 16 Q. Did you retain personal copies at all? 17 A. No. 18 MS. ST. PETER-GRIFFITH: If we can mark 19 this as the next exhibit. And, Jason, I have to 20 tell you I marked your name on this because I 21 inadvertently circled something on it. 22 (WHEREUPON Deposition Exhibit</p>

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<p style="text-align: right;">Page 202</p> <p>1 Kreklow 007 was marked as of 2/7/2008 and 2 tendered to the witness.) 3 THE WITNESS: Okay. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. If you could flip to the next page, I 6 grouped this as one exhibit because they appear 7 to be related documents, but they're two 8 different documents. I just want to bring that 9 to your attention. 10 A. Okay. 11 Q. Ma'am, do you recognize either of these 12 two pages? 13 A. No. 14 Q. Do you recall in or around, the first 15 page appears to be an inter-office memorandum 16 from Kathy Riddle to Sondra Raider. Do you see 17 that? 18 A. From Sondra to Kathy. 19 Q. Oh, from Sondra to Kathy. I'm sorry. 20 A. Yes. 21 Q. Then down in the bottom there's a cc 22 and you're listed as a cc?</p>	<p style="text-align: right;">Page 204</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. Meaning could -- let me ask it this 3 way: Could a contract termination have taken 4 place without your being involved in it? 5 MR. WINCHESTER: Objection, form. 6 THE WITNESS: Mercy Medical Center 7 wanted to terminate. It was their idea to 8 terminate the agreement. 9 BY MS. ST. PETER-GRIFFITH: 10 Q. But would that have been something that 11 would have been brought to your attention? 12 A. Yes. 13 Q. And it appears that there's a reference 14 to Karla in the inventory section. Do you see 15 that? 16 A. Yes. 17 Q. It says "Karla agreed to take back full 18 cases." 19 Do you have any doubts that that's you 20 that's being referenced? 21 A. No, that's me. 22 Q. Would you have had to have approved the</p>
<p style="text-align: right;">Page 203</p> <p>1 A. Right. 2 Q. And the second is a July 8, '97 letter 3 from Michael Calsin where you were also cc'd to 4 Mike Drees at Mercy Medical Center. Do you see 5 that? 6 A. Yes. 7 Q. What was Mercy Medical Center? 8 A. It was a client of Home Infusion. 9 Q. Do you recall that their contract was 10 terminated? 11 A. No. I don't recall anything about 12 them. 13 Q. You don't? 14 A. No. 15 Q. Do you know why you would have been a 16 cc on both the letter and the inter-office memo? 17 A. Sondra reported to me. 18 Q. Generally, did the folks who reported 19 to you have wide latitude with regard to 20 terminating contracts? 21 MR. WINCHESTER: Objection, form. 22 THE WITNESS: Meaning what?</p>	<p style="text-align: right;">Page 205</p> <p>1 taking back of any provider cases? 2 A. Yes. 3 Q. What does that mean, full cases of 4 provider sets if they decide not to use provider 5 pumps? 6 A. Provider pumps is like the AIM pump and 7 the ANNE pump that we talked about before. 8 Q. Okay. 9 A. And they use a specific infusion set 10 that can only be used in that pump. And if 11 they're not using that pump, they don't need the 12 sets. And they're not going to use our pumps, 13 they're going to rent them from somebody else and 14 use a different pump. 15 Q. Were these pumps provided to clients 16 like Mercy Medical for rent or were they sold to 17 them? 18 A. It was part of the consigned inventory. 19 Q. So it wasn't just drug products then 20 that were consigned, it was also devices? 21 A. Yes. 22 Q. What rental rates or what rates would</p>

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<p style="text-align: right;">Page 206</p> <p>1 be charged to Abbott Home Infusion clients for</p> <p>2 the use of these particular devices?</p> <p>3 A. I can't say specifically because it was</p> <p>4 in the, it was in the percentage that we got.</p> <p>5 Q. So there wasn't necessarily a separate</p> <p>6 charge. It was just part of the percentage of</p> <p>7 overall revenue collection?</p> <p>8 A. Right.</p> <p>9 Q. Are you familiar with the nature of the</p> <p>10 Ross conduct that was at issue in the criminal</p> <p>11 case?</p> <p>12 A. It had to do with pumps.</p> <p>13 Q. Do you know whether it had to deal with</p> <p>14 the provision of basically free pumps?</p> <p>15 A. I don't remember that specifically.</p> <p>16 Q. Well, isn't the provision of pumps</p> <p>17 under these consignment arrangements essentially</p> <p>18 the same as the provision of free pumps?</p> <p>19 A. No.</p> <p>20 Q. How so?</p> <p>21 A. Because if they were using a pump on a</p> <p>22 therapy, their price, our percentage was higher</p>	<p style="text-align: right;">Page 208</p> <p>1 charge them if they didn't have a contract?</p> <p>2 A. I'm sorry. Say that again.</p> <p>3 Q. Sure. In those instances where there</p> <p>4 was a contract termination and there wasn't a</p> <p>5 separate agreement for example with Alt. Site for</p> <p>6 pricing of product --</p> <p>7 A. Okay.</p> <p>8 Q. -- so Abbott is severing its</p> <p>9 relationship, it doesn't have any other</p> <p>10 relationship with the former Home Infusion</p> <p>11 client. What price, how would you determine what</p> <p>12 price would be charged for the product that was</p> <p>13 retained by the Home Infusion client?</p> <p>14 A. That they were going to pay us for. It</p> <p>15 was done at the buying group rate that they</p> <p>16 belonged to.</p> <p>17 All Abbott Home Infusion clients became</p> <p>18 members of a company or of a GPO called Purchase</p> <p>19 Connection.</p> <p>20 Q. Okay.</p> <p>21 A. So it would be priced at the Purchase</p> <p>22 Connection price.</p>
<p style="text-align: right;">Page 207</p> <p>1 than if they were not using a pump.</p> <p>2 Q. Well, how would you know what price was</p> <p>3 being charged for the use or sale of the pump?</p> <p>4 MR. WINCHESTER: Objection, form.</p> <p>5 THE WITNESS: How would I know?</p> <p>6 BY MS. ST. PETER-GRIFFITH:</p> <p>7 Q. Or how would Abbott know what the price</p> <p>8 was for the use or lease of the pump?</p> <p>9 A. It was in the calculation that was done</p> <p>10 by contract marketing.</p> <p>11 Q. Would there be a specific number that</p> <p>12 would be allocated to pump rental or pump use?</p> <p>13 A. I don't know.</p> <p>14 Q. In that same Inventory section, a</p> <p>15 couple of sentences down it says "I told them we</p> <p>16 would price product based on PBI rates." Do you</p> <p>17 see that?</p> <p>18 A. Yes.</p> <p>19 Q. When Abbott terminated contracts or</p> <p>20 when there was a contract termination, for</p> <p>21 product that was retained by the consignment</p> <p>22 client how did you decide what rates you would</p>	<p style="text-align: right;">Page 209</p> <p>1 Q. Why not charge them the catalog or list</p> <p>2 price?</p> <p>3 MR. WINCHESTER: Objection,</p> <p>4 hypothetical.</p> <p>5 THE WITNESS: Because they had access</p> <p>6 to the GPO price.</p> <p>7 BY MS. ST. PETER-GRIFFITH:</p> <p>8 Q. Even though they weren't acquiring it</p> <p>9 through the GPO process?</p> <p>10 A. Yes.</p> <p>11 Q. And every Home Infusion customer could</p> <p>12 access at the GPO price?</p> <p>13 A. Every Home Infusion company was</p> <p>14 automatically signed up with Purchase Connection.</p> <p>15 Q. Do you see where it says "Reimbursement</p> <p>16 Training"?</p> <p>17 A. Right.</p> <p>18 Q. There's a fee that appears to be</p> <p>19 allocated for \$1,250. Do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. For one day.</p> <p>22 A. Right.</p>

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<p style="text-align: right;">Page 210</p> <p>1 Q. Do you know whether Abbott Home 2 Infusion had a way of or a methodology for 3 determining the cost to Abbott of its particular 4 services, for example reimbursement training? 5 A. No. 6 Q. At times like this when there was a 7 termination of a contract, do you know how those 8 types of service fees were arrived at? 9 A. I don't know that. 10 Q. Would the terms of a termination with a 11 contract like Mercy be something that you would 12 have to approve when you were in your role in 13 Home Infusion? 14 A. No. 15 Q. Who would have to approve that? 16 A. Contract marketing. 17 Q. I'd like to go back a little bit to our 18 discussion earlier about AWP. 19 Was there any particular reason why you 20 didn't discuss when you were a NAM or within Home 21 Infusion why you didn't discuss AWP with 22 customers?</p>	<p style="text-align: right;">Page 212</p> <p>1 the second campaign of 1997. 2 Q. And the second campaign is that six- 3 month period from July to December? 4 A. Right. 5 Q. Now, the second page appears to be a 6 different calculation. Do you see that? 7 A. Yes. 8 Q. Do you recall sometime for that second 9 campaign in '97 that there was a recalculation of 10 your commission? 11 A. No. That was not uncommon. 12 Q. What would prompt a recalculation? 13 MR. WINCHESTER: Objection, form. 14 THE WITNESS: Something was incorrect, 15 but I can't tell you what. I can't even tell you 16 what's incorrect on this one that I'm looking at. 17 MS. ST. PETER-GRIFFITH: Okay. 18 Mark this as the next exhibit. 19 (WHEREUPON Deposition Exhibit 20 Kreklow 009 was marked as of 2/7/2008.) 21 BY MS. ST. PETER-GRIFFITH: 22 Q. Ma'am, we're going to spend a little</p>
<p style="text-align: right;">Page 211</p> <p>1 A. There was no reason for me to discuss 2 it. 3 Q. So it wasn't because you couldn't, it 4 was just there was no reason that came up for you 5 to discuss it? 6 A. Right. 7 Q. Do you recall any discussions with 8 customers about vancomycin AWP's? 9 A. Not specifically with me, no. 10 MS. ST. PETER-GRIFFITH: Mark this as 11 the next exhibit. 12 (WHEREUPON Deposition Exhibit 13 Kreklow 008 was marked as of 2/7/2008 and 14 tendered to the witness.) 15 THE WITNESS: Okay. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. Ma'am, I'm going to ask you if you 18 recognize this document. 19 A. I don't recognize it. I know what it 20 is, but I don't recognize it. 21 Q. Okay. What is it? 22 A. It is a summary of my incentives for</p>	<p style="text-align: right;">Page 213</p> <p>1 bit of time on this document, so take your time. 2 (Document tendered to the witness.) 3 A. Okay. Do you want me to read the whole 4 thing? I remember this. 5 Q. You do? 6 A. Yes. 7 Q. Ma'am, what is this document? 8 A. It's a letter to the consultant 9 utilized by Northwestern Hospital. 10 Q. And Northwestern is here in Chicago? 11 A. Yes. 12 Q. And the consultant was in Texas? 13 A. Yes. 14 Q. And this is a letter authored by you? 15 A. Yes. 16 Q. Can you identify whether this is the 17 final letter? 18 A. No. Is it signed? No. I can't tell 19 you if it's the final letter. 20 Q. Okay. What do you recall about dealing 21 with this particular consultant concerning 22 Northwestern?</p>

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<p>1 A. He was pretty tough. 2 Q. Okay. How so? 3 A. He was. He was very demanding. 4 Q. What type of consulting role did he 5 play or did he serve for Northwestern? 6 A. He reviewed all documents and was in on 7 the negotiations. He was the one that told 8 Northwestern what they should be looking for, 9 what kind of prices they should be paying for 10 various services. 11 Q. And ultimately I think you testified 12 earlier that you entered into a successful 13 relationship with Northwestern? 14 A. Yes. 15 Q. And that there was a successful build- 16 out of a pharmacy for Northwestern. 17 A. Yes. 18 Q. If you could go to the bullet points 19 sort of in the middle of the page. 20 A. Yes. 21 Q. The first bullet point says "Per diem 22 pricing as discussed in our letter to you on</p>	<p>1 A. They didn't, they chose not to have us 2 do that. 3 Q. So you helped them develop the home 4 infusion business and build out the pharmacy, but 5 they didn't take advantage of Abbott's 6 pharmacies' compounding services? 7 A. Right. 8 Q. If you could go to the next page. How 9 did you ensure that you were not, under the 10 second bullet point, that you were not competing 11 with Northwestern for patient referrals? 12 A. That would mean that we would not go 13 into Northwestern Hospital, call on the 14 physicians, and at requests for patients. 15 Q. In the fifth bullet point down it says 16 "Northwestern would be a member of the Abbott 17 Home Infusion national clinical network of 18 prestigious institutions, including twelve other 19 academic medical centers." 20 What is the Abbott Home Infusion 21 national clinical network of prestigious 22 institutions?</p>
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<p>1 October 14." Do you see that? 2 A. Yes. 3 Q. What did you mean by "per diem 4 pricing"? 5 A. They would pay us a fixed amount for a 6 particular therapy. 7 Q. Then the next bullet point says "Abbott 8 Home Infusion Services Pharmacy is willing to 9 assume compounding for all Northwestern patients 10 immediately up until the time Northwestern 11 pharmacy is completed." Do you see that? 12 A. Yes. 13 Q. That per diem fee, was that the fee for 14 the compounding services that are referenced in 15 that next bullet point? 16 A. I don't know what was discussed in the 17 letter to him on October 14th, but that never 18 happened. We never did compounding for them. 19 Q. Oh, you never did compounding for 20 Northwestern? 21 A. No, no. 22 Q. How come?</p>	<p>1 A. It was a loose network of our clients 2 so they could exchange information. 3 Q. Was there any formalized way that they 4 could exchange information? 5 A. We at some point in time, and I don't 6 know when we stopped it, but we used to have a 7 client meeting and we would invite clients, I 8 don't know if it was only these from the twelve 9 or not, and we'd have presenters and we would 10 talk to them about our new products and then they 11 interacted. 12 Q. Did Abbott Home Infusion target as 13 clients academic medical centers? 14 A. Yes. 15 Q. Who were the twelve other academic 16 medical centers referenced? 17 A. Well, OSU was one, University of 18 Michigan was one, University of Chicago, Loyola, 19 that UHIC, University Health System in Ohio. 20 That's what comes to mind. 21 Q. The next bullet point says 22 "Northwestern would receive continuous access to</p>

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<p>1 reimbursement expertise and training resources." 2 Is that the same thing as participating 3 or contracting for Abbott reimbursement services? 4 A. No. 5 Q. What is this referencing? 6 A. That we would train their own 7 reimbursement people on Home Infusion 8 reimbursement. 9 Q. Would you charge a fee for that? 10 A. That was all part of the per diem. 11 Q. Who would do the training? 12 A. People from Abbott's reimbursement 13 department. I don't remember who. 14 Q. Do you know whether they had like a 15 training team that they put together that they 16 would send out to service this part of Abbott's 17 contractual arrangements? 18 A. I don't know that. 19 Q. Do you recall working with anyone on 20 that? 21 A. No. 22 Q. The next item says "Abbott Home</p>	<p>1 Q. Do you know where Bruce Rodman ended 2 up? 3 A. Yes. 4 Q. Where? 5 A. NHIA. 6 Q. Do you know whether he did work when he 7 was an Abbott employee with NHIA? 8 A. I know he did work on billing codes 9 with other home infusion personnel from other 10 companies, but I don't know that he, he wasn't 11 employed by NHIA. 12 Q. I don't necessarily mean employed by. 13 I mean did Abbott participate either through Mr. 14 Rodman's participation or someone else's 15 participation in the organization of NHIA, in 16 that association? 17 MR. WINCHESTER: Objection, form. 18 THE WITNESS: I would answer that as 19 no. 20 BY MS. ST. PETER-GRIFFITH: 21 Q. Are you aware of any lobbying 22 activities undertaken by Abbott?</p>
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<p>1 Infusion provides nationally recognized care 2 pharmacy, clinical and reimbursement staff." 3 Why did you say "nationally 4 recognized"? 5 A. Because we were. We were in the home 6 care magazines as a national home care company. 7 There are a lot of home care companies out there 8 that are not national, they're regional. 9 Q. What home care magazines are you 10 referencing? 11 A. The NHIA Journal, and I don't know, 12 there were some others, but I don't remember what 13 they were. 14 Q. What was Abbott Home Infusion's 15 relationship with NHIA? 16 MR. WINCHESTER: Objection, form. 17 THE WITNESS: Abbott Home Infusion 18 didn't have a relationship with NHIA. 19 BY MS. ST. PETER-GRIFFITH: 20 Q. Well, were you members of NHIA? Was 21 Abbott a member of NHIA? 22 A. I don't know.</p>	<p>1 A. No. 2 Q. Are you aware of Abbott's affiliation 3 with any other healthcare organization or 4 organizations? 5 MR. WINCHESTER: Objection, form. 6 THE WITNESS: Yes. 7 BY MS. ST. PETER-GRIFFITH: 8 Q. What? 9 A. I don't even know the title of it, but 10 I know that Miles White was the president of some 11 Pharma organization. 12 Q. Could it have been Pharma? 13 A. Could have been. I didn't keep track 14 of that. 15 Q. Any other organizations that you can 16 recall? 17 A. No. 18 Q. After the bullet points you have a 19 chart where you do estimates of square footage 20 requirements. Do you see that? On that same 21 page. 22 A. Yes.</p>

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<p>1 Q. Then you have total patients, the chart</p> <p>2 total patients.</p> <p>3 A. Right.</p> <p>4 Q. The sentence immediately underneath</p> <p>5 that, you quote from the Northwestern RFP.</p> <p>6 A. Right.</p> <p>7 Q. And it appears that the payor mix,</p> <p>8 which is what we discussed a little bit before in</p> <p>9 terms of the mix of third-party payors, is</p> <p>10 twenty-three percent Medicare, twenty-four</p> <p>11 percent Medicaid, and fifty-three percent</p> <p>12 commercial self-payors. Do you see that?</p> <p>13 A. Yes.</p> <p>14 Q. At twenty-four percent Medicaid, would</p> <p>15 Northwestern be considered a riskier client?</p> <p>16 MR. WINCHESTER: Objection, form.</p> <p>17 THE WITNESS: No.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. What types of payor mixes would raise</p> <p>20 an eyebrow for you as to possibly creating a risk</p> <p>21 situation?</p> <p>22 MR. WINCHESTER: Objection, form.</p>	<p>1 Q. Do you know how when Abbott's contract</p> <p>2 marketing was calculating the per diems that</p> <p>3 would be charged to third-party payors whether</p> <p>4 AWP factored into that?</p> <p>5 A. I have no idea.</p> <p>6 Q. On the final page in the middle of the</p> <p>7 paragraph you indicate that Northwestern was able</p> <p>8 to take over pharmacy operations at any time</p> <p>9 during this five-year agreement.</p> <p>10 Do you recall how long it took to get</p> <p>11 Northwestern's pharmacy up and running?</p> <p>12 A. Well, that's not what this means. This</p> <p>13 means that we were going to be involved during</p> <p>14 the five-year period, but at any time during that</p> <p>15 five years they could tell us goodbye.</p> <p>16 Q. I see, okay. And did they ever tell</p> <p>17 you goodbye?</p> <p>18 A. They did.</p> <p>19 Q. When was that?</p> <p>20 A. I believe it was three years.</p> <p>21 We transitioned them over to Alt. Site</p> <p>22 product sales because we really didn't have</p>
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<p>1 THE WITNESS: Very low commercial</p> <p>2 payors.</p> <p>3 BY MS. ST. PETER-GRIFFITH:</p> <p>4 Q. When you say "low," do you mean under -</p> <p>5 -</p> <p>6 A. Percentage.</p> <p>7 Q. Under what percent?</p> <p>8 A. I don't know. I would say anything</p> <p>9 under fifty. That's something I would be</p> <p>10 concerned about.</p> <p>11 Q. And why do you think, if commercial</p> <p>12 payors were under fifty percent why do you think</p> <p>13 that that would be a riskier client? Just</p> <p>14 because of the irregularity of Medicaid</p> <p>15 reimbursements?</p> <p>16 MR. WINCHESTER: Objection, form.</p> <p>17 THE WITNESS: That's part of it. And</p> <p>18 it's my understanding that commercial payors paid</p> <p>19 more.</p> <p>20 BY MS. ST. PETER-GRIFFITH:</p> <p>21 Q. Paid more?</p> <p>22 A. Yes.</p>	<p>1 anything to do with them anymore. They didn't</p> <p>2 need us anymore. They didn't need reimbursement</p> <p>3 training. They knew how to run the pharmacy.</p> <p>4 They hired their own pharmacy director. So they</p> <p>5 didn't need us. So we transferred them over to</p> <p>6 product sales. And they lost it sometime after</p> <p>7 they had it.</p> <p>8 Q. Who? Alt. Site product sales?</p> <p>9 A. Yes.</p> <p>10 Q. Was that generally what happened with a</p> <p>11 lot of these consignment partners who you helped</p> <p>12 develop, that that the Home Infusion unit would</p> <p>13 develop them and then at some point they would be</p> <p>14 able to go on their own?</p> <p>15 A. Yes. That was the whole idea.</p> <p>16 Q. So the whole idea was help them create</p> <p>17 the business and then transition them to be Alt.</p> <p>18 Site customers, hopefully?</p> <p>19 A. Well, that was towards the end.</p> <p>20 But in Home Infusion it was to be</p> <p>21 involved in their business, to help them start</p> <p>22 up. We had Abbott people come in there and act</p>

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<p>1 as directors of pharmacy, we would help them</p> <p>2 interview people, all of that.</p> <p>3 Once they had their director of</p> <p>4 pharmacy on board and they were up and running</p> <p>5 and confident in what they were doing, then we</p> <p>6 pretty much backed out, backed away, provided the</p> <p>7 consigned inventory, and we still did</p> <p>8 reimbursement for them if that's what was in the</p> <p>9 contract.</p> <p>10 Q. Before you turned over the client</p> <p>11 essentially to Alt. Site, was there a profit to</p> <p>12 be made though from these revenue share</p> <p>13 relationships?</p> <p>14 MR. WINCHESTER: Objection, form.</p> <p>15 THE WITNESS: Yes.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. And part of that is reflected in the</p> <p>18 fact that you were able to get a commission,</p> <p>19 right, every six months or so?</p> <p>20 A. By running a corporation, yes. I</p> <p>21 wouldn't pay somebody unless I made a profit.</p> <p>22 (WHEREUPON Deposition Exhibit</p>	<p>1 A. No.</p> <p>2 Q. Was that just part of the risk that</p> <p>3 Abbott Home Infusion undertook and sometimes that</p> <p>4 risk takes a downturn?</p> <p>5 A. Yes.</p> <p>6 Q. Did you have any understanding as to</p> <p>7 what private payors paid in terms of AWP?</p> <p>8 A. No.</p> <p>9 Q. Does AWP less than fifty percent ring</p> <p>10 any bells with you --</p> <p>11 A. No.</p> <p>12 Q. -- about either Medicaid reimbursement</p> <p>13 or private payor reimbursement?</p> <p>14 A. No.</p> <p>15 Q. Okay. Ma'am, do you recognize this</p> <p>16 document?</p> <p>17 A. No.</p> <p>18 Q. Do you see that it's an inter-office</p> <p>19 correspondence from Dana Hosseini?</p> <p>20 A. Yes.</p> <p>21 Q. Who is Dana Hosseini?</p> <p>22 A. He was Kathy Riddle's replacement.</p>
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<p>1 Kreklow 010 was marked as of 2/7/2008 and</p> <p>2 tendered to the witness.)</p> <p>3 THE WITNESS: Okay.</p> <p>4 BY MS. ST. PETER-GRIFFITH:</p> <p>5 Q. Before we move on to this document,</p> <p>6 just to follow up on a train of questions from</p> <p>7 before.</p> <p>8 Was it always your understanding that</p> <p>9 Medicaid paid less than private payors?</p> <p>10 A. That was my understanding.</p> <p>11 Q. How did you have that understanding?</p> <p>12 A. I don't know where it came from.</p> <p>13 Because I know we had trouble getting Medicaid to</p> <p>14 pay. Some states ran out of money and we still</p> <p>15 service the patients at no cost.</p> <p>16 So, to me, if we're not getting paid</p> <p>17 for a patient and they're all within Medicaid, I</p> <p>18 assumed on my own that that's probably not a</p> <p>19 group that I want to focus on.</p> <p>20 Q. If you had a high-risk client who was</p> <p>21 having difficulty getting reimbursement, would</p> <p>22 Abbott Home Infusion drop them as a client?</p>	<p>1 Q. Who's Jane Bradley?</p> <p>2 A. She was a representative that worked</p> <p>3 for me.</p> <p>4 Q. And you're cc'd. Do you see that?</p> <p>5 A. Yes.</p> <p>6 Q. Do you have any doubt that you received</p> <p>7 this memorandum?</p> <p>8 A. There's no reason for me to doubt that</p> <p>9 I received it.</p> <p>10 Q. Ma'am, was the Mayo Clinic a Home</p> <p>11 Infusion client?</p> <p>12 A. Not to my knowledge.</p> <p>13 Q. Were they someone that Home Infusion</p> <p>14 targeted as a prospective client?</p> <p>15 A. Yes.</p> <p>16 Q. Did you put together, did Abbott Home</p> <p>17 Infusion put together a proposal for them?</p> <p>18 A. I don't remember if we ever did or not.</p> <p>19 I do remember Jane and I went up to Mayo Clinic,</p> <p>20 but that was the initial meeting.</p> <p>21 Q. Do you recall at any time what the Mayo</p> <p>22 Clinic's -- well, let me ask you this: Did you</p>

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<p style="text-align: right;">Page 230</p> <p>1 initiate the meeting or did the Mayo Clinic 2 initiate the meeting? 3 A. I don't remember. Jane was the one 4 that coordinated it. I don't know if she called 5 them or they called her. 6 Q. In the middle of this first paragraph, 7 the third sentence reads "With the information 8 currently in hand, a strategy discussion, i.e., 9 per diem revenue share business development, 10 might be more prudent." Do you see that? 11 A. Yes. 12 Q. Did you have different models within 13 Home Infusion that you were potentially going to 14 pitch to the Mayo Clinic? 15 A. I don't remember. 16 Q. Well, do you know what the difference 17 between per diem revenue share and business 18 development is? 19 A. Yes. 20 Q. What's the differences? 21 A. Per diem is it's not a risk share for 22 us. The customer pays us per therapy regardless.</p>	<p style="text-align: right;">Page 232</p> <p>1 Q. They didn't -- 2 A. It went nowhere. 3 Q. Did they raise any concerns about the 4 nature of the business relationships that -- 5 A. No. 6 MR. WINCHESTER: Let her finish her 7 question before you answer. 8 BY MS. ST. PETER-GRIFFITH: 9 Q. -- that Abbott Home Infusion was 10 proposing? 11 A. No. 12 (WHEREUPON Deposition Exhibit 13 Kreklow 011 was marked as of 2/7/2008 and 14 tendered to the witness.) 15 THE WITNESS: Okay. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. Ma'am, do you recognize this document? 18 A. No, I don't. 19 Q. Do you recall, this appears to be a 20 letter from Michael Calsin to Dennis Welvang. Do 21 you see that? 22 A. Denise, yes.</p>
<p style="text-align: right;">Page 231</p> <p>1 They usually do the billing when we do per diem. 2 Q. Okay. 3 A. Revenue share is the risk share that 4 we've been talking about. 5 Q. Okay. 6 A. And business development would be where 7 we would help them build out a pharmacy. 8 Q. But provide no other services or 9 product? 10 A. Oh, no. Then do the full boat. 11 Q. When you say "the full boat," what do 12 you mean? 13 A. Well, consigned inventory, we would ask 14 them if they wanted us to do reimbursement. I 15 don't remember what they wanted. 16 Q. In terms of the per diem arrangements, 17 do you recall how many Home Infusion clients had 18 these per diem arrangements? 19 A. No. 20 Q. Do you recall what happened to the 21 pitch that was made to the Mayo Clinic? 22 A. Nothing happened.</p>	<p style="text-align: right;">Page 233</p> <p>1 Q. Denise, oh, I'm sorry, Denise, the 2 director of home care pharmacy. 3 A. Yes. 4 Q. ITS Infusion. Do you recall ITS 5 Infusion as a client? 6 A. I do not. 7 Q. Do you recall meeting with Denise, Mike 8 Sellers, and yourself in the last quarter of 1999 9 to review the commitments between Abbott Home 10 Infusion and ITS Infusion? 11 A. I don't. 12 Q. Do you remember anything at all about 13 this termination? 14 A. Nothing. 15 Q. Do you know whether this was a 16 termination that Abbott initiated? 17 A. I believe it says that. 18 Q. Why would Abbott initiate a 19 termination? 20 MR. WINCHESTER: Objection, form. 21 THE WITNESS: One reason would be if 22 the client never solicited any patients.</p>

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<p style="text-align: right;">Page 234</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. Do you know if that's what happened 3 here? 4 A. I don't know. It has happened in the 5 past. 6 Q. Would Abbott terminate its home 7 infusion contractual arrangements if it was 8 losing money? 9 A. No. 10 MR. WINCHESTER: Objection, form. 11 BY MS. ST. PETER-GRIFFITH: 12 Q. Under Item B it says "ITS shall 13 purchase the Abbott manufactured product in ITS' 14 inventory as of the termination date." Do you 15 see that? It's under Item B. 16 A. Okay, yes. 17 Q. As a Home Infusion customer, would ITS 18 be afforded those same GPO prices? 19 A. I don't know. 20 Q. Do you know what price was charged? 21 A. No. 22 (WHEREUPON Deposition Exhibit</p>	<p style="text-align: right;">Page 236</p> <p>1 this. 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Did your sales folks have an interest 4 in the Medicare Relief Bill? 5 MR. WINCHESTER: Objection, form. 6 THE WITNESS: I don't know because I 7 don't even remember what it was or is. 8 BY MS. ST. PETER-GRIFFITH: 9 Q. Well, would your sales staff have an 10 interest in a one-year moratorium on AWP 11 decreases for outpatient drug pricing? 12 MR. WINCHESTER: Objection, 13 speculation. 14 THE WITNESS: I can't say. 15 BY MS. ST. PETER-GRIFFITH: 16 Q. Well, you're their boss. Would a one- 17 year moratorium on decreases in outpatient drug 18 pricing have an impact on your sales staff? 19 A. It's possible it would have an impact 20 on reimbursement. 21 Q. Would that have an impact on your sales 22 staff?</p>
<p style="text-align: right;">Page 235</p> <p>1 Kreklow 012 was marked as of 2/7/2008 and 2 tendered to the witness.) 3 THE WITNESS: Okay. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. Ma'am, do you recognize this document? 6 A. No, I don't. 7 Q. It appears to be an e-mail memorandum 8 from Bruce Rodman. Do you see that? 9 A. Yes. 10 Q. And you're listed as a cc? 11 A. Yes. 12 Q. Do you know why Mr. Rodman would have 13 included you as a cc on this? 14 MR. WINCHESTER: Objection, form. 15 THE WITNESS: Rhea, Nikki, and 16 Charlotte reported to me. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Do you know why Mr. Rodman was sending 19 this e-mail to people who reported to you? 20 MR. WINCHESTER: Objection, form, 21 speculation. 22 THE WITNESS: I don't know why he did</p>	<p style="text-align: right;">Page 237</p> <p>1 MR. WINCHESTER: Objection, form. 2 THE WITNESS: No. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. Well, would Abbott's ability to collect 5 a percentage of reimbursement or your client's 6 ability to collect reimbursement impact your 7 sales force's ability to sell? 8 MR. WINCHESTER: Objection, form, 9 hypothetical. 10 THE WITNESS: No. 11 BY MS. ST. PETER-GRIFFITH: 12 Q. Do you recall anything else about 13 discussions concerning the Medicare Relief Bill? 14 A. No, I don't. 15 MS. ST. PETER-GRIFFITH: At this time 16 why don't we take a brief break. We've got to 17 change the tape. 18 MR. WINCHESTER: Okay. 19 THE VIDEOGRAPHER: We are off the 20 record at 2:28 p.m. with the end of Tape No. 3. 21 (WHEREUPON a recess was taken.) 22 THE VIDEOGRAPHER: We are back on the</p>

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<p style="text-align: right;">Page 238</p> <p>1 record at 2:37 p.m. with the start of Tape No. 4. 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Mr. Kreklow, if we could go back to 4 Exhibit 12 for a second. 5 A. Yes. 6 Q. I said earlier that, I may have 7 misspoken and said that Bruce Rodman may have 8 sent this. 9 It appears that this was printed off by 10 Bruce Rodman, which is consistent with the fact 11 that I can represent to you based upon the Bates 12 number that it was a document produced by Mr. 13 Rodman. But it appears that this e-mail came 14 from Mike Snouffer. Do you see that? 15 A. Yes. 16 Q. Why is Mr. Snouffer discussing AWP 17 matters or reimbursement sales matters with your 18 sales staff? 19 MR. WINCHESTER: Objection, 20 speculation. 21 THE WITNESS: I don't know. 22 BY MS. ST. PETER-GRIFFITH:</p>	<p style="text-align: right;">Page 240</p> <p>1 Q. In general would it be improper for Mr. 2 Snouffer or anyone else from reimbursement to be 3 discussing AWP information with your sales staff? 4 MR. WINCHESTER: Objection, form, 5 hypothetical, argumentative. 6 THE WITNESS: It would be a very rare 7 occurrence, if not this being the only one. 8 BY MS. ST. PETER-GRIFFITH: 9 Q. Well, would it be a practice that you 10 would encourage? 11 MR. WINCHESTER: Objection, form. 12 THE WITNESS: No. I would not go to 13 Mike and say let's learn about AWP. 14 BY MS. ST. PETER-GRIFFITH: 15 Q. Well, would it be, in what context 16 would it be proper for someone from reimbursement 17 to discuss AWP information with your sales force? 18 MR. WINCHESTER: Objection, form, 19 hypothetical. 20 THE WITNESS: If a client brought up a 21 question to the salesperson, they would go to 22 reimbursement.</p>
<p style="text-align: right;">Page 239</p> <p>1 Q. Do you think it's a proper thing to do? 2 MR. WINCHESTER: Objection, form. 3 THE WITNESS: I don't know in what 4 context this was done. I don't remember. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Well, do you know whether the 7 reimbursement department freely shared with your 8 sales staff AWP information? 9 MR. WINCHESTER: Objection, form. 10 THE WITNESS: No. They wouldn't have 11 done that, shared information. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. Why not? 14 A. Because it wasn't anything that they 15 would be discussing, that they would initiate a 16 conversation about. 17 Q. Well, do you think it's improper for 18 Mr. Snouffer to be doing this? 19 MR. WINCHESTER: Objection, form. 20 THE WITNESS: Again, I don't know in 21 what context he did this. 22 BY MS. ST. PETER-GRIFFITH:</p>	<p style="text-align: right;">Page 241</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. And could reimbursement answer 3 questions that your sales staff would in turn 4 provide to the client? 5 A. No. 6 MR. WINCHESTER: Objection, form, 7 hypothetical. 8 BY MS. ST. PETER-GRIFFITH: 9 Q. What would happen? 10 MR. WINCHESTER: Again, objection to 11 the hypothetical. 12 THE WITNESS: The reimbursement 13 department would speak with the client. 14 BY MS. ST. PETER-GRIFFITH: 15 Q. Okay. Then why would there be, can you 16 think of any context in which your sales staff 17 needed to know about reimbursement information or 18 AWP? 19 MR. WINCHESTER: Objection, form. 20 THE WITNESS: Because if their customer 21 brought up a concern, they would know to contact 22 reimbursement.</p>

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<p style="text-align: right;">Page 242</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. Would it be appropriate for your sales 3 staff to discuss with customers AWP and 4 reimbursement matters? 5 MR. WINCHESTER: Objection, form. 6 THE WITNESS: No. 7 BY MS. ST. PETER-GRIFFITH: 8 Q. How come? 9 A. Because it's something that we really 10 know nothing about, and it's dangerous to discuss 11 things you know nothing about. 12 Q. Well, do you know for a fact that they 13 didn't? 14 MR. WINCHESTER: Objection, form. 15 Are you done with that question? 16 MS. ST. PETER-GRIFFITH: Yes. 17 THE WITNESS: These people on the list? 18 Yes, I know they didn't, they were not well 19 versed in that, if at all. 20 BY MS. ST. PETER-GRIFFITH: 21 Q. How do you know for a fact that your 22 sales staff did not discuss AWP or reimbursement</p>	<p style="text-align: right;">Page 244</p> <p>1 deal with. 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Any other reason? 4 A. I'm sure there are many reasons, but 5 that's the reason. 6 Q. Are you aware of anyone else discussing 7 with your sales staff not to discuss pricing 8 reimbursement or AWP with clients? 9 A. Contract marketing. 10 Q. Who in contract marketing? 11 A. Mike Calsin and Kathy Riddle. 12 Q. How do you know that they had those 13 discussions? Were you involved with them? 14 A. I've heard them, yes. 15 Q. What did they say? 16 A. I can't tell you verbatim. The gist of 17 it was that we don't discuss those issues with 18 our clients, and we would refer every question 19 like that to the reimbursement specialist. 20 Q. And who did they have that conversation 21 with? 22 A. Who did Mike Calsin have that</p>
<p style="text-align: right;">Page 243</p> <p>1 matters with their clients? 2 A. Because they were instructed not to. 3 Q. Who instructed them not to? 4 A. It has always been that way in Home 5 Infusion. It started with Mike Sellers. 6 Contract marketing always emphasized it, as did 7 I. 8 Q. Did you ever discuss with your staff 9 directly do not discuss AWP or reimbursement with 10 your clients? 11 A. Yes, and not to discuss any pricing at 12 all. 13 Q. When did you have that discussion with 14 them? 15 A. At various times. 16 Q. Do you recall any specific times? 17 A. No. 18 Q. Why is it prohibited, why would it be 19 prohibited? 20 MR. WINCHESTER: Objection, form. 21 THE WITNESS: It's something that only 22 our reimbursement department should work with and</p>	<p style="text-align: right;">Page 245</p> <p>1 conversation with? 2 MR. WINCHESTER: Objection, form. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. Yes. 5 A. The salespeople. 6 Q. In what context? 7 A. In various context. On the phone, in 8 person, at sales meetings. 9 Q. How many conversations do you have a 10 direct recollection of concerning prohibitions 11 about discussing AWP pricing or reimbursement by 12 the sales staff? 13 A. Ten. 14 Q. In what context? 15 A. Usually it has something to do with 16 contract marketing. 17 Q. What's the first one that you recall? 18 A. I recall Mike saying we can't price 19 anything for anybody else. That's one thing. I 20 don't remember, you know, I can't tell you. 21 Q. Well, then how do you know it's ten? 22 A. You asked me about how many. So about</p>

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<p style="text-align: right;">Page 246</p> <p>1 ten.</p> <p>2 Q. Did you have regular meetings where you</p> <p>3 discussed it?</p> <p>4 A. No.</p> <p>5 Q. Well, if Home Infusion is, as some of</p> <p>6 the documents reflected that we just reviewed,</p> <p>7 touting itself as a reimbursement expert, why</p> <p>8 couldn't your sales staff discuss it?</p> <p>9 A. Because --</p> <p>10 MR. WINCHESTER: Objection, form,</p> <p>11 assumes facts.</p> <p>12 THE WITNESS: -- they were not</p> <p>13 reimbursement specialists.</p> <p>14 BY MS. ST. PETER-GRIFFITH:</p> <p>15 Q. Could they discuss the fact that Abbott</p> <p>16 Home Infusion had reimbursement expertise?</p> <p>17 A. Yes.</p> <p>18 Q. What would happen when a client would</p> <p>19 ask them what that expertise was?</p> <p>20 MR. WINCHESTER: Objection, form,</p> <p>21 hypothetical.</p> <p>22 THE WITNESS: We would do your billing</p>	<p style="text-align: right;">Page 248</p> <p>1 closer to the witness.</p> <p>2 MS. ST. PETER-GRIFFITH: Sure.</p> <p>3 MR. ANDERSON: What was that answer, by</p> <p>4 the way?</p> <p>5 MS. ST. PETER-GRIFFITH: Can you read</p> <p>6 it back, please.</p> <p>7 (WHEREUPON said record was read</p> <p>8 back as requested.)</p> <p>9 BY MS. ST. PETER-GRIFFITH:</p> <p>10 Q. Ma'am, if Virginia Tobiason testified</p> <p>11 that really her Home Infusion reimbursement staff</p> <p>12 had little or nothing to do with client contacts</p> <p>13 on the sales front, how do you reconcile that?</p> <p>14 MR. WINCHESTER: Objection, form.</p> <p>15 THE WITNESS: That's true.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. That's true?</p> <p>18 A. Sure. I just said it was. I said the</p> <p>19 reimbursement people do not accompany the</p> <p>20 salespeople on sales calls.</p> <p>21 Q. Well, then if your sales people don't</p> <p>22 know anything about reimbursement or AWP --</p>
<p style="text-align: right;">Page 247</p> <p>1 for you, we'll put it in the CHIP system, we'll</p> <p>2 follow up. It was very basic steps of the</p> <p>3 billing process.</p> <p>4 BY MS. ST. PETER-GRIFFITH:</p> <p>5 Q. Well, did your sales staff then have to</p> <p>6 understand the basic steps of the billing</p> <p>7 process?</p> <p>8 A. No.</p> <p>9 Q. Would your sales staff be accompanied</p> <p>10 by people from Home Infusion reimbursement in</p> <p>11 order to explain some of the contractual benefits</p> <p>12 of signing with Abbott Home Infusion?</p> <p>13 A. No.</p> <p>14 MR. WINCHESTER: Objection, form.</p> <p>15 BY MS. ST. PETER-GRIFFITH:</p> <p>16 Q. Would all questions concerning AWP and</p> <p>17 reimbursement be automatically referred to the</p> <p>18 reimbursement department?</p> <p>19 A. Yes.</p> <p>20 MR. ANDERSON: I'm sorry. But I did</p> <p>21 not hear the answer prior to the last answer. So</p> <p>22 maybe we can move the speaker up a little bit</p>	<p style="text-align: right;">Page 249</p> <p>1 A. Yes.</p> <p>2 Q. -- how is it that questions get</p> <p>3 answered from clients?</p> <p>4 A. They would call, once they were a</p> <p>5 client they would call their reimbursement</p> <p>6 specialist.</p> <p>7 Q. And their reimbursement specialist can</p> <p>8 discuss the nuances of AWP and reimbursement?</p> <p>9 MR. WINCHESTER: Objection,</p> <p>10 argumentative, assumes facts.</p> <p>11 THE WITNESS: The calls typically were</p> <p>12 regarding specific patients.</p> <p>13 BY MS. ST. PETER-GRIFFITH:</p> <p>14 Q. Would any AWP or reimbursement</p> <p>15 questions be posed to your sales staff?</p> <p>16 MR. WINCHESTER: Objection, form.</p> <p>17 THE WITNESS: I can't say did any of</p> <p>18 our clients ever ask one of the salespeople from</p> <p>19 Home Infusion a reimbursement question, I can't</p> <p>20 answer that.</p> <p>21 BY MS. ST. PETER-GRIFFITH:</p> <p>22 Q. Is it possible?</p>

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<p style="text-align: right;">Page 250</p> <p>1 A. Anything is possible. They can ask 2 them how to get to the moon. 3 Q. Well, if a question was asked, how 4 would it get answered? 5 A. We would refer them to the 6 reimbursement department, to their reimbursement 7 specialist. 8 Q. With regard to Exhibit 12, would there 9 be any point at all that you can think of for Mr. 10 Snouffer advising members of your staff about the 11 Medicare Relief Bill? 12 MR. WINCHESTER: Objection, asked and 13 answered. 14 THE WITNESS: I don't know why he did 15 it. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. Can you think of any reason why he 18 would do it? 19 A. No. 20 MS. ST. PETER-GRIFFITH: If you can 21 mark this as the next exhibit, and unfortunately 22 this is one of those that I only have two copies</p>	<p style="text-align: right;">Page 252</p> <p>1 Q. -- if it was sent in the ordinary 2 course? 3 A. No. 4 Q. Who's Michelle Smith? 5 A. Someone over in HBS contract marketing 6 or maybe she was in product sales. I don't 7 remember. She was away from us. 8 Q. In January of 2002 you were still the 9 director of Home Infusion? 10 A. Yes. 11 Q. This says "Checklist on contract bids 12 from ASPS." Do you see that? 13 A. Okay, yes. 14 Q. Did you have any responsibilities with 15 regard to Alt. Site product sales in or around 16 2002? 17 A. No. 18 Q. Do you know why you would have received 19 a checklist on contract bids from Alt. Site 20 product sales? 21 A. No. I can't fathom what she's talking 22 about.</p>
<p style="text-align: right;">Page 251</p> <p>1 of. So if you could show that to Mr. Winchester. 2 (WHEREUPON Deposition Exhibit 3 Kreklow 013 was marked as of 2/7/2008 and 4 tendered to the witness.) 5 THE WITNESS: Okay. 6 BY MS. ST. PETER-GRIFFITH: 7 Q. Ma'am, do you know what this document 8 is? 9 A. No. 10 Q. It appears to be an e-mail from Lynn 11 Coomans. Do you see that? 12 A. Yes. 13 Q. To Michael Calsin, and then it's also 14 addressed to you. Do you see that? 15 A. Yes. 16 Q. Do you have any doubt that you would 17 have received this e-mail? 18 A. I can't be a hundred percent certain 19 that I did or didn't receive it. 20 Q. Would you have any reason to doubt that 21 you received it -- 22 A. No.</p>	<p style="text-align: right;">Page 253</p> <p>1 Q. Have you ever seen this document that's 2 attached to this e-mail? 3 A. No, I haven't. And I've never heard of 4 anything referred to as a checklist. 5 Q. What was your interaction in 2002 with 6 Alt. Site product sales? 7 MR. WINCHESTER: Objection, form. 8 THE WITNESS: We were transferring 9 clients to them. 10 BY MS. ST. PETER-GRIFFITH: 11 Q. Incident to that transfer, would it 12 have been important for you to know information 13 about Alt. Site product sales pricing? 14 MR. WINCHESTER: Objection, form. 15 THE WITNESS: Yes. 16 BY MS. ST. PETER-GRIFFITH: 17 Q. How so, or why? 18 A. Because we'd want to use the same 19 parameters for the clients. 20 Q. There are certain terms that are 21 contained on this document. I'd just like to ask 22 you if you're familiar with these terms.</p>

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<p>1 The first is RxLink WAC. Are you 2 familiar with that term? 3 A. I'm familiar with RxLink. 4 Q. Have you ever heard the term RxLink 5 WAC? 6 A. No. 7 Q. What is RxLink? 8 A. RxLink is a price, or was a price, for 9 HPD products that was less than list price that 10 was given to customers without a contract. 11 Q. Do you know why Abbott would give an 12 RxLink price as opposed to just charging a list 13 price? 14 A. No. 15 Q. What is parameter pricing? 16 A. I don't know. 17 Q. Are you familiar with HBS High and HBS, 18 I'm sorry, HBS Group High and HBS Group Low? 19 A. I am not. 20 Q. At any time when you were transitioning 21 contracts to Alt. Site product sales, did anyone 22 ever give you an instruction to hold firm on</p>	<p>1 receiving this or reading it or anything. 2 MS. ST. PETER-GRIFFITH: If we could 3 mark the next exhibit, please. 4 (WHEREUPON Deposition Exhibit 5 Kreklow 014 was marked as of 2/7/2008 and 6 tendered to the witness.) 7 THE WITNESS: Okay. 8 BY MS. ST. PETER-GRIFFITH: 9 Q. Ma'am, do you recognize this document? 10 A. No. 11 Q. It appears to be an e-mail with an 12 attachment, and the e-mail is from Michelle Smith 13 and directed to you? 14 A. Right. 15 Q. Who is Ms. Smith again? 16 A. She was a financial analyst in product 17 sales I guess. 18 Q. Do you have any idea why she sent you 19 this e-mail? 20 A. No. 21 Q. Who is PharMerica? 22 A. I never heard of that. I'm not</p>
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<p>1 vancomycin pricing? 2 A. No. 3 Q. Do you know what that would mean if 4 someone said "hold firm"? 5 A. I wouldn't know. No one has ever said 6 that to me. 7 Q. If you can look at the third to last 8 page of this document. 9 A. I'm sorry. Third to the last? 10 Q. Yes. Looks like this. (Indicating.) 11 A. Got it. All right. 12 Q. If you look midway through the page is 13 the word "Vancomycin." Do you see that? 14 A. Yes. 15 Q. Under Remarks it says "Hold firm." Do 16 you see that? 17 A. Yes. 18 Q. Do you have any idea what that means? 19 A. No. 20 Q. Do you recall asking Ms. Coomans why 21 she sent this to you? 22 A. No. I don't remember, I don't remember</p>	<p>1 familiar with the name PharMerica. 2 Q. Do you know what PharMerica high 3 runners are? 4 A. High runners are products that they use 5 a lot of. But, again, I don't know who 6 PharMerica is. 7 Q. So that's not a client that you dealt 8 with then? 9 A. No, never heard of them. 10 Q. This appears to be an e-mail, it says 11 "Hi Karla, How are things in Home Infusion. I'm 12 so excited for Trudy to get a spot over in HBS 13 contract marketing." Do you see that? 14 A. Yes. 15 Q. Do you know what she's referencing? 16 A. Trudy getting a job. 17 Q. Is Trudy Trudy Brushiari? 18 A. No. 19 Q. Okay. Who's Trudy? 20 A. Trudy Lauer. 21 Q. Did Trudy Lauer work with you in Home 22 Infusion?</p>

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1 A. Not that I remember. She never
2 reported to me. I know that.
3 Q. The next sentence says "Here is the
4 spreadsheet for PharMerica high runners." Do you
5 see that?
6 A. Yes.
7 Q. And then "We have cross-referenced
8 these list numbers with Baxter and B. Braun
9 (closest match). Let me know if you need
10 anything else." Do you see that?
11 A. Right.
12 Q. Would that suggest to you that you
13 perhaps requested this information?
14 A. Yes.
15 Q. Do you know why you would be requesting
16 or do you have any recollection as to why you
17 would request PharMerica high runner pricing?
18 A. I don't know who PharMerica is. I
19 don't know if she's misspoken or what.
20 Q. Do you know what she means when she
21 says "we've cross-referenced these list numbers
22 with Baxter and B. Braun (closest match)"?

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1 A. Right, I do know.
2 Q. What's it mean?
3 A. That means if we have a particular
4 product and Baxter and B. Braun has a similar
5 product, it'll have a different list number.
6 So the way it could be is that this
7 PharMerica was using Baxter and Braun products
8 and so we wanted the closest match to what they
9 were using. That's the only time I've ever done
10 cross-referencing.
11 Q. But you have no recollection of
12 PharMerica?
13 A. No, I'm sorry. I don't.
14 Q. Did you ever request any other high
15 runner reports? Do you recall?
16 A. No.
17 Q. Why would you go to Michelle Smith or
18 someone like Michelle Smith to get that
19 information for you?
20 A. I'm not even sure what kind of
21 information this is. But she was in the contract
22 marketing department, and no one else would know

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1 pricing but someone in contract marketing or the
2 sales rep that delivered the contract.
3 Q. Why would it be important for you to
4 get the cross-reference information?
5 MR. WINCHESTER: Objection, form.
6 THE WITNESS: When I requested, or I
7 performed the cross-referencing when I was a NAM.
8 BY MS. ST. PETER-GRIFFITH:
9 Q. Okay.
10 A. And we were negotiating against Baxter
11 Braun, and the client was utilizing their
12 products, and I wanted to show them the closest
13 match with our products.
14 Q. When you say "the closest match," do
15 you mean in terms of the product for product or
16 price comparison?
17 A. No, product for product.
18 Q. Would you have any consideration for
19 price comparisons?
20 A. No. I wouldn't know prices,
21 competitive prices.
22 Q. Then why would you compare the two?

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1 A. Just so I can show them that we have
2 all the products that they're currently using
3 from a competitor.
4 (WHEREUPON Deposition Exhibit
5 Kreklow 015 was marked as of 2/7/2008 and
6 tendered to the witness.)
7 THE WITNESS: Okay.
8 BY MS. ST. PETER-GRIFFITH:
9 Q. Ma'am, do you recognize this document?
10 A. Not specifically, but I am aware of it.
11 Q. This appears to be an e-mail memorandum
12 to you attaching a Cleveland Clinic Executive
13 Summary. Do you see that?
14 A. Right.
15 Q. Who is Scott Gallaher?
16 A. He worked for Mike Calsin.
17 Q. Below? He worked below Mike Calsin?
18 A. Yes. He worked for him.
19 Q. Why are you receiving this Cleveland
20 Clinic Executive Summary?
21 A. Because we --
22 MR. WINCHESTER: Objection, form,

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<p style="text-align: right;">Page 262</p> <p>1 speculation.</p> <p>2 Go ahead.</p> <p>3 THE WITNESS: -- we were negotiating</p> <p>4 the transition from their risk share agreement.</p> <p>5 BY MS. ST. PETER-GRIFFITH:</p> <p>6 Q. So you had a risk share agreement with</p> <p>7 Cleveland Clinic?</p> <p>8 A. Yes.</p> <p>9 Q. Was that a large account?</p> <p>10 A. Yes.</p> <p>11 Q. Did Cleveland Clinic convert to an Alt.</p> <p>12 Site product sales client?</p> <p>13 A. Yes.</p> <p>14 Q. So what purpose or role does an exec.</p> <p>15 summary serve?</p> <p>16 MR. WINCHESTER: Objection, form.</p> <p>17 THE WITNESS: It summarizes the</p> <p>18 contract.</p> <p>19 BY MS. ST. PETER-GRIFFITH:</p> <p>20 Q. Which contract? The old one or the</p> <p>21 anticipated new one?</p> <p>22 A. Anticipated new one.</p>	<p style="text-align: right;">Page 264</p> <p>1 sending it to the client.</p> <p>2 Q. What does that tell you?</p> <p>3 A. I don't know. I don't know why he</p> <p>4 would say that.</p> <p>5 Q. Do you recall disagreeing and</p> <p>6 suggesting that it should go to the client?</p> <p>7 A. No. I believe Rhea would take this in.</p> <p>8 Q. Who's Rhea?</p> <p>9 A. She was a sales rep for me.</p> <p>10 Q. For you?</p> <p>11 A. Yes.</p> <p>12 Q. Okay.</p> <p>13 A. That's why we wouldn't send it to the</p> <p>14 client. She would go in and present it to the</p> <p>15 client, which was typical. Typically we don't</p> <p>16 send these things. We want to present them.</p> <p>17 Q. Do you recall anything else about the</p> <p>18 Cleveland Clinic transfer to Alt. Site product</p> <p>19 sales?</p> <p>20 A. No.</p> <p>21 Q. Ma'am, who is Ted Lyjak?</p> <p>22 A. He was an employee in product sales.</p>
<p style="text-align: right;">Page 263</p> <p>1 Q. Can you just look at this and identify</p> <p>2 -- well, let me ask you, is an executive summary</p> <p>3 put together at the initial stages of contract</p> <p>4 negotiations or at the end?</p> <p>5 A. It usually accompanies the contract</p> <p>6 proposal.</p> <p>7 Q. So some of what's reflected in an</p> <p>8 executive summary might change if there are</p> <p>9 further contract negotiations?</p> <p>10 A. It's possible, but rare.</p> <p>11 Q. But rare?</p> <p>12 A. Yes.</p> <p>13 Q. So do you think that this executive</p> <p>14 summary probably accurately summarizes the</p> <p>15 Cleveland Clinic contract?</p> <p>16 A. Yes.</p> <p>17 MR. WINCHESTER: Objection, form.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. According to this memo, it says that</p> <p>20 "so here is the final draft for your records."</p> <p>21 Do you see that, on the front page?</p> <p>22 A. Right. And it also says we're not</p>	<p style="text-align: right;">Page 265</p> <p>1 He came on board right before I left.</p> <p>2 Q. Would you have any reason to discuss</p> <p>3 Medicaid payment with Mr. Lyjak?</p> <p>4 A. Not to my memory. I rarely discussed</p> <p>5 anything with Ted or anybody in that group.</p> <p>6 Q. Why?</p> <p>7 A. Because they were far away from us</p> <p>8 physically, and there was no reason for me to</p> <p>9 communicate with them.</p> <p>10 Q. Can you think of a reason why you would</p> <p>11 have interaction with them?</p> <p>12 A. Regarding our contract transition at</p> <p>13 that point in time when we were shutting down the</p> <p>14 business. Prior to that, I can't remember</p> <p>15 speaking with them.</p> <p>16 Q. Would you have any reason to discuss</p> <p>17 AWP with Mr. Lyjak?</p> <p>18 A. Not that I can recall.</p> <p>19 Q. Ma'am, I'm not going to mark this as</p> <p>20 another exhibit because it's already been marked</p> <p>21 previously, but we went over this, or counsel for</p> <p>22 Texas went over. What's marked at the bottom is</p>

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<p style="text-align: right;">Page 266</p> <p>1 Exhibit 481 to Mr. Kipperman's deposition in 2 Texas. (Document tendered to the witness.) 3 Do you remember going over this 4 document? 5 A. I remember an e-mail referencing a 6 meeting over there. I don't remember looking at 7 this. 8 Q. Why don't you take a look at it then. 9 MR. WINCHESTER: Did this get a 10 separate number in her earlier deposition? 11 MS. ST. PETER-GRIFFITH: You know, why 12 don't we mark it now. 13 MR. WINCHESTER: Okay. 14 (WHEREUPON Deposition Exhibit 15 Kreklow 016 was marked as of 2/7/2008.) 16 MR. WINCHESTER: This was used the 17 first time; right? 18 MS. ST. PETER-GRIFFITH: I believe so, 19 although I'm going back to double check. 20 MR. WINCHESTER: I'm virtually positive 21 it was. 22 MS. ST. PETER-GRIFFITH: Yeah. I</p>	<p style="text-align: right;">Page 268</p> <p>1 Jeff and I worked together as sales reps and so 2 did Peter and I. And I don't remember going over 3 to their offices, and they never came over to 4 mine. 5 Q. Okay. 6 A. I didn't type this, by the way. I use 7 Arial 12 on all of my communications. 8 Q. Well, do you know why there would be 9 notes reflecting that you were a participant at 10 this meeting? 11 A. I don't know. 12 Q. Is it possible that you were a 13 participant and you just don't remember? 14 A. I would have remembered a meeting. If 15 they came to my place or I went to his, I would 16 have remembered it. 17 Q. Well, do you think someone just got 18 this wrong, that you were never a participant at 19 the meeting? 20 A. I was never at the meeting, if they had 21 a meeting. I don't know. I wasn't there. 22 Q. Can you think of, is there another</p>
<p style="text-align: right;">Page 267</p> <p>1 thought it was too. 2 MR. WINCHESTER: All right. We're 3 going to call it 16 again? 4 MS. ST. PETER-GRIFFITH: Yes. 5 MR. SISNEROS: What is the old exhibit 6 number? 7 MS. ST. PETER-GRIFFITH: 481. 8 MR. SISNEROS: I will note in reviewing 9 the prior deposition of June 28, 2007, 481 is 10 listed as a previous exhibit. 11 MS. ST. PETER-GRIFFITH: And it appears 12 at Page 313 of the prior. 13 THE WITNESS: Okay. 14 BY MS. ST. PETER-GRIFFITH: 15 Q. Ma'am, does that refresh your 16 recollection as to whether you may have discussed 17 AWP or been involved in discussions concerning 18 AWP with Mr. Lyjak? 19 A. I don't remember the conversation. 20 Q. Do you have any recollection at all of 21 meeting with Mr. Baker or Mr. Balzer? 22 A. No. And I would remember that because</p>	<p style="text-align: right;">Page 269</p> <p>1 Karla Kreklow at Abbott? 2 A. Not with either the correct or 3 incorrect spelling. 4 Q. I know that that's an incorrect 5 spelling. 6 Is it possible that you could have 7 participated by phone -- 8 A. Yes. 9 Q. -- in this meeting? 10 A. Yes. 11 Q. Do you recall having a telephonic 12 conversation with anyone where you discussed AWP 13 customer, probing customer complaints concerning 14 AWP? 15 A. I believe it was Jeff. 16 Q. You had a conversation with Jeff? 17 A. Yes. 18 Q. And what do you remember about that 19 conversation? 20 A. I really don't remember anything about 21 the conversation, but I know that Jeff would call 22 me because I was the only one he knew in Home</p>

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<p>1 Infusion.</p> <p>2 Q. Okay.</p> <p>3 A. And Ted probably didn't even know who I</p> <p>4 was, to tell you the truth.</p> <p>5 Q. Did you have any other communication</p> <p>6 that you're aware of with Ted Lyjak?</p> <p>7 A. Yes, when we were transitioning the</p> <p>8 Children's Memorial contract.</p> <p>9 Q. Do you recall having any conversations</p> <p>10 consistent with the substance of these meeting</p> <p>11 notes?</p> <p>12 A. No.</p> <p>13 Q. Do you know why you would have any</p> <p>14 conversations concerning the substance of these</p> <p>15 meeting notes?</p> <p>16 A. Jeff must have called and asked me</p> <p>17 something.</p> <p>18 Q. Do you see above Questions the last</p> <p>19 bullet point, do you see that there's a listing</p> <p>20 of drug products?</p> <p>21 A. Yes.</p> <p>22 Q. It says "Experience tells us the effect</p>	<p>1 discussion with Mr. Balzer telephonically about</p> <p>2 the substance of these meeting notes?</p> <p>3 MR. WINCHESTER: Objection, form, asked</p> <p>4 and answered, mischaracterizes the testimony.</p> <p>5 THE WITNESS: It's quite possible. I</p> <p>6 cannot remember the conversation.</p> <p>7 BY MS. ST. PETER-GRIFFITH:</p> <p>8 Q. Who within Abbott Home Infusion would</p> <p>9 probe customer AWP cost complaints?</p> <p>10 A. Nobody would probe it. No one would</p> <p>11 probe for AWP complaints.</p> <p>12 Q. Well, not probe for. Let me rephrase.</p> <p>13 If a customer had a complaint and they</p> <p>14 voiced that complaint, who would be responsible</p> <p>15 for addressing it?</p> <p>16 MR. WINCHESTER: Objection, form,</p> <p>17 hypothetical, assumes facts.</p> <p>18 THE WITNESS: I guess I'm a little</p> <p>19 confused by "AWP complaint" because we didn't</p> <p>20 field complaints. If somebody had a question on</p> <p>21 a particular patient's therapy, they would</p> <p>22 discuss AWP.</p>
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<p>1 of AWP changes in Home Care have only been on the</p> <p>2 following," and then there's a list of products.</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. Do you know what the basis for a</p> <p>6 statement like that would be?</p> <p>7 MR. WINCHESTER: Objection, form,</p> <p>8 speculation.</p> <p>9 THE WITNESS: I do know that some</p> <p>10 products AWP changed, but I can't tell you when.</p> <p>11 But I remember that. That was part of the,</p> <p>12 around the time of that DOJ state ruling that we</p> <p>13 talked about before.</p> <p>14 BY MS. ST. PETER-GRIFFITH:</p> <p>15 Q. The DOJ AWP's?</p> <p>16 A. Yes.</p> <p>17 Q. And do you know whether the timing of</p> <p>18 7/12/01, whether that would have coincided with</p> <p>19 the DOJ AWP's?</p> <p>20 A. Oh, I don't know. I don't know if it</p> <p>21 did or not, but I would presume it did.</p> <p>22 Q. Do you have any doubt that you had a</p>	<p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. Well, if AWP's were dropped --</p> <p>3 A. Right.</p> <p>4 Q. -- and that had a corresponding impact</p> <p>5 in reducing a time substantially reimbursement</p> <p>6 that clients collected, do you think that that</p> <p>7 might cause a complaint to be generated?</p> <p>8 MR. WINCHESTER: Objection,</p> <p>9 speculation, assumes facts.</p> <p>10 THE WITNESS: It wouldn't be a, I don't</p> <p>11 know, I wouldn't characterize it as a complaint.</p> <p>12 I would characterize it as an inquiry.</p> <p>13 BY MS. ST. PETER-GRIFFITH:</p> <p>14 Q. Okay. If an inquiry was made, who</p> <p>15 would be responsible for addressing it?</p> <p>16 MR. WINCHESTER: Objection, form.</p> <p>17 THE WITNESS: The reimbursement</p> <p>18 specialist for that particular client.</p> <p>19 BY MS. ST. PETER-GRIFFITH:</p> <p>20 Q. Is it possible that the sales staff</p> <p>21 might because of their relationship with the</p> <p>22 client receive that type of inquiry?</p>

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<p style="text-align: right;">Page 274</p> <p>1 MR. WINCHESTER: Objection, form, 2 hypothetical. 3 THE WITNESS: No. I don't ever 4 remember that occurring. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Do you recall any outcry from Abbott's 7 clients when the AWP, DOJ AWPs, were published or 8 when Abbott reduced its own list prices? 9 MR. WINCHESTER: Objection, form. 10 THE WITNESS: Not in Home Infusion. 11 BY MS. ST. PETER-GRIFFITH: 12 Q. Do you recall hearing about it outside 13 of Home Infusion? 14 A. No. 15 Q. Can you think of any reason why someone 16 would include you on these meeting notes if you 17 didn't attend this meeting? 18 MR. WINCHESTER: Objection, form. 19 THE WITNESS: No. 20 BY MS. ST. PETER-GRIFFITH: 21 Q. Can you think of any context in which 22 your sales staff would discuss AWP reimbursement?</p>	<p style="text-align: right;">Page 276</p> <p>1 BY MS. ST. PETER-GRIFFITH: 2 Q. But was it in writing anywhere? 3 A. I don't remember. 4 (WHEREUPON Deposition Exhibit 5 Kreklow 017 was marked as of 2/7/2008 and 6 tendered to the witness.) 7 THE WITNESS: Okay. 8 BY MS. ST. PETER-GRIFFITH: 9 Q. Ma'am, do you recognize this document? 10 A. No. 11 Q. It appears to be an e-mail with an 12 attachment from you to Ted Lyjak and Michelle 13 Smith. Do you see that? 14 A. Yes. 15 Q. And the Subject line says PharMerica. 16 Do you see that? 17 A. Yes. 18 Q. Does this refresh your recollection as 19 to who PharMerica may have been? 20 A. It doesn't. 21 Q. Does it refresh your recollection as to 22 why you might have requested information from</p>
<p style="text-align: right;">Page 275</p> <p>1 MR. WINCHESTER: Objection, asked and 2 answered. 3 THE WITNESS: No. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. Is that just because it's not something 6 that would come up or because there was a 7 prohibition? 8 MR. WINCHESTER: Objection, form. 9 THE WITNESS: Well, we went over this 10 before. We were told not to discuss that or 11 prices to anybody regarding anything. 12 BY MS. ST. PETER-GRIFFITH: 13 Q. Other than the contract marketing 14 people discussing that prohibition and you 15 testified earlier that you discussed it -- 16 A. Yes. 17 Q. -- who else, if anyone, made that 18 prohibition? 19 MR. WINCHESTER: Objection, asked and 20 answered. 21 THE WITNESS: I don't know who else 22 because I wasn't there.</p>	<p style="text-align: right;">Page 277</p> <p>1 Michelle Smith concerning PharMerica high 2 runners? 3 A. No. It does not refresh my 4 recollection. 5 Q. Do you recall receiving a request from 6 Ted Lyjak concerning PharMerica high runners? 7 A. No. 8 Q. The first sentence in this e-mail says 9 "Attached is the information that you requested." 10 Do you see that? 11 A. Yes. 12 Q. Do you know why Mr. Lyjak would be 13 making a request concerning PharMerica high 14 runners to you? 15 MR. WINCHESTER: Objection, 16 speculation. 17 THE WITNESS: To me specifically, no. 18 BY MS. ST. PETER-GRIFFITH: 19 Q. Would you say that that would be an 20 unusual request? 21 A. Yes. 22 Q. Who would be the best source for high</p>

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<p style="text-align: right;">Page 278</p> <p>1 runner information?</p> <p>2 MR. WINCHESTER: Objection, form.</p> <p>3 THE WITNESS: Well, someone in product</p> <p>4 sales would be the best source for PharMerica's</p> <p>5 high runners. I wouldn't know that.</p> <p>6 BY MS. ST. PETER-GRIFFITH:</p> <p>7 Q. The next sentence says "Keep in mind</p> <p>8 that each state pays Medicaid differently, which</p> <p>9 is why I asked for the state information, Ted."</p> <p>10 A. Yes.</p> <p>11 Q. What did you mean by that statement?</p> <p>12 A. I wanted to know which state PharMerica</p> <p>13 was in.</p> <p>14 Q. The next sentence says "For both</p> <p>15 commercial and government payors, TPN is usually</p> <p>16 paid on a per diem basis and not on AWP." Do you</p> <p>17 see that?</p> <p>18 A. Yes.</p> <p>19 Q. What did you mean by that statement?</p> <p>20 A. TPN is not paid on AWP, it's paid on a</p> <p>21 per diem, per day.</p> <p>22 Q. What's TPN?</p>	<p style="text-align: right;">Page 280</p> <p>1 diem and not on AWP, what do you mean by that?</p> <p>2 A. That it is paid in a lump sum per day.</p> <p>3 Each individual product is not calculated.</p> <p>4 Q. Separately out?</p> <p>5 A. Yes.</p> <p>6 Q. The next sentence says "Part-fills are</p> <p>7 frequently paid as part of the supplies and not</p> <p>8 on an AWP basis either." Do you see that?</p> <p>9 A. Right.</p> <p>10 Q. What does that mean?</p> <p>11 A. Part-fills are the smaller bags, 5100</p> <p>12 or 250 MLs. They contain dextrose, sodium</p> <p>13 chloride, or sodium chloride, and they add an</p> <p>14 antibiotic to it, usually an antibiotic. It</p> <p>15 could be a chemo. And it's calculated as a</p> <p>16 supply. It's not calculated individually.</p> <p>17 Q. Is that supply cost part of the per</p> <p>18 diem or is it a separate?</p> <p>19 A. It's whatever, whomever, whatever type</p> <p>20 of insurance. Even if they are paying AWP on the</p> <p>21 drugs, they wouldn't pay AWP on the part-fill.</p> <p>22 Q. Okay. So it's possible that, for</p>
<p style="text-align: right;">Page 279</p> <p>1 A. Total parenteral nutrition.</p> <p>2 Q. Do you recall whether Mr. Lyjak ever</p> <p>3 made a request concerning information regarding</p> <p>4 TPN reimbursement?</p> <p>5 A. Well, the TPN products were the most</p> <p>6 expensive products.</p> <p>7 Q. What are the TPN products?</p> <p>8 A. Amino acids, heavy dextrose, sterile</p> <p>9 water, trace elements like zinc, electrolytes</p> <p>10 like calcium, in small volumes, not sodium</p> <p>11 chloride bags, but potassium, vitamins, IV sets,</p> <p>12 pumps, always IV sets and pumps.</p> <p>13 Q. Do you know whether the per diem</p> <p>14 charges that were paid by either commercial</p> <p>15 payors or government payors were calculated based</p> <p>16 upon AWP?</p> <p>17 A. Oh, I have no idea.</p> <p>18 Q. Is it possible but you just don't know?</p> <p>19 MR. WINCHESTER: Objection, form.</p> <p>20 THE WITNESS: I don't know.</p> <p>21 BY MS. ST. PETER-GRIFFITH:</p> <p>22 Q. When you say that they're paid on a per</p>	<p style="text-align: right;">Page 281</p> <p>1 example, a client could utilize Abbott vancomycin</p> <p>2 and that would be billed based upon AWP, but the</p> <p>3 part-fill would not be billed, it would just be</p> <p>4 treated as a supply?</p> <p>5 MR. WINCHESTER: Objection,</p> <p>6 hypothetical.</p> <p>7 THE WITNESS: If the patient had an</p> <p>8 antibiotic or a chemo that was paid on AWP, then</p> <p>9 the part-fill would not be also calculated in</p> <p>10 AWP. That would be part of the \$5 or whatever</p> <p>11 they would get for supplies.</p> <p>12 There was a fixed amount that they</p> <p>13 would get for supplies. It was like a little</p> <p>14 supply package, if you will, not physically but</p> <p>15 on paper, like gauze pads, needles.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. And would that supply charge cover the</p> <p>18 cost of the part-fill?</p> <p>19 A. I don't know.</p> <p>20 Q. Then you write "Only drugs have AWP's,</p> <p>21 not sets or LifeShield products." Do you see</p> <p>22 that?</p>

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<p style="text-align: right;">Page 282</p> <p>1 A. Right.</p> <p>2 Q. What did you mean by that?</p> <p>3 A. Well, IV sets are not paid on AWP</p> <p>4 because they're not a drug, and neither is</p> <p>5 LifeShield.</p> <p>6 Q. What are the LifeShield products?</p> <p>7 A. They're that protected needle that we</p> <p>8 talked about in the beginning.</p> <p>9 Q. Then the second to last sentence says</p> <p>10 "Let me know if you require any additional</p> <p>11 information."</p> <p>12 A. Yes.</p> <p>13 Q. Does that suggest to you that Mr. Lyjak</p> <p>14 made an inquiry of you?</p> <p>15 A. Yes.</p> <p>16 Q. And then "I'd be happy to discuss this</p> <p>17 further with you." Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Do you recall discussing anything</p> <p>20 further with Mr. Lyjak on this topic?</p> <p>21 A. No.</p> <p>22 Q. Did you ever discover what states</p>	<p style="text-align: right;">Page 284</p> <p>1 to?</p> <p>2 A. No. I don't remember making it to</p> <p>3 anybody specifically.</p> <p>4 Q. Let me ask you, would it have been</p> <p>5 important to understand which state PharMerica</p> <p>6 participated in so that you could compare or</p> <p>7 identify different state Medicaid reimbursement?</p> <p>8 MR. WINCHESTER: Objection,</p> <p>9 speculation.</p> <p>10 THE WITNESS: Yes.</p> <p>11 BY MS. ST. PETER-GRIFFITH:</p> <p>12 Q. Do you have any idea why these</p> <p>13 inquiries were not made to someone in Home</p> <p>14 Infusion reimbursement?</p> <p>15 A. Because Ted only knew me in Home</p> <p>16 Infusion.</p> <p>17 Q. In March of 2002 do you recall who was</p> <p>18 in Home Infusion reimbursement?</p> <p>19 A. Mike Snouffer was the manager.</p> <p>20 Q. Do you recall any of the staff?</p> <p>21 A. No, not particularly. I don't know</p> <p>22 what the shutdown time was when certain people</p>
<p style="text-align: right;">Page 283</p> <p>1 PharMerica was practicing in or where their</p> <p>2 pharmacies were located?</p> <p>3 A. I must have because doesn't it say</p> <p>4 that's why I asked for state information?</p> <p>5 Q. Right.</p> <p>6 A. I don't know if I ever got it or not,</p> <p>7 but this doesn't say anything about that, that I</p> <p>8 know of.</p> <p>9 Q. Do you have any recollection at all</p> <p>10 about why you provided this information to Mr.</p> <p>11 Lyjak?</p> <p>12 A. I don't.</p> <p>13 Q. Do you know whether -- oh, let me ask</p> <p>14 you, what's the source of your information</p> <p>15 concerning AWP reimbursement?</p> <p>16 MR. WINCHESTER: Objection, form.</p> <p>17 THE WITNESS: Are you talking about</p> <p>18 where I say TPN is usually paid on per diem?</p> <p>19 BY MS. ST. PETER-GRIFFITH:</p> <p>20 Q. Yes.</p> <p>21 A. Our reimbursement department.</p> <p>22 Q. Do you know who you made that inquiry</p>	<p style="text-align: right;">Page 285</p> <p>1 left. Not everybody left at once.</p> <p>2 Q. Okay.</p> <p>3 A. I had it staggered.</p> <p>4 Q. Was the staggering of the shutdown or</p> <p>5 the staggering of the transition of employees</p> <p>6 somewhat tied to your transitioning of contracts</p> <p>7 to Alt. Site product sales?</p> <p>8 A. Yes.</p> <p>9 (WHEREUPON Deposition Exhibit</p> <p>10 Kreklow 018 was marked as of 2/7/2008 and</p> <p>11 tendered to the witness.)</p> <p>12 THE WITNESS: Okay.</p> <p>13 BY MS. ST. PETER-GRIFFITH:</p> <p>14 Q. Ma'am, do you recognize this document?</p> <p>15 A. No.</p> <p>16 Q. It appears to be an e-mail chain with</p> <p>17 your e-mail to Mr. Lyjak at the bottom. Do you</p> <p>18 see that?</p> <p>19 A. Yes.</p> <p>20 Q. And it appears that Mr. Lyjak forwarded</p> <p>21 your e-mail to Pete Baker?</p> <p>22 A. Yes.</p>

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1 Q. The text of the e-mail says "Attached
2 is Karla's response on AWP's for various high
3 runner PharMerica products. There appear to be
4 significant disparities." Do you see that?
5 A. Yes.
6 Q. "I think it would be worth pursuing
7 with legal. Let me know if you need anything
8 from me."
9 A. Yes.
10 Q. Do you have any idea what Mr. Lyjak is
11 referencing when he says "there appear to be
12 significant disparities"?
13 A. No, I don't.
14 Q. Do you know what issue would need to be
15 pursued with legal?
16 A. I can't imagine.
17 Q. Did you know that your information was
18 going to Mr. Baker?
19 A. I don't remember that. But no, I would
20 have copied Pete on it if I would have thought it
21 was going to go to him.
22 Q. Did you work with Mr. Baker?

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1 A. When I was initially in sales, we were
2 both sales reps together.
3 Q. So you had a relationship with him?
4 A. Yes. We knew each other.
5 Q. And you also had a relationship with
6 Mike Sellers?
7 A. I worked for him.
8 Q. You worked for him in several different
9 departments; right?
10 A. I worked for him in product sales and
11 in Home Infusion.
12 Q. Would you say you had a strong
13 relationship with Mr. Sellers?
14 MR. WINCHESTER: Objection, form.
15 THE WITNESS: I wouldn't know what:
16 "strong" means. I worked for him for a lot of
17 years.
18 BY MS. ST. PETER-GRIFFITH:
19 Q. Did you hold him in high regard?
20 MR. WINCHESTER: Objection, form.
21 THE WITNESS: Yes, I did. I do, I
22 still do.

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1 (WHEREUPON Deposition Exhibit
2 Kreklow 019 was marked as of 2/7/2008 and
3 tendered to the witness.)
4 THE WITNESS: Okay.
5 BY MS. ST. PETER-GRIFFITH:
6 Q. Ma'am, do you recognize this document?
7 A. No.
8 Q. It appears to be an e-mail from Joan
9 Barter, who's an administrative assistant, to a
10 series of people. Do you see that?
11 A. Yes.
12 Q. And you're included on the
13 distribution.
14 A. Yes.
15 Q. Did you routinely receive copies of
16 Mike Sellers Significant Events Reports?
17 A. No.
18 Q. Did you participate at all, to your
19 recollection, in drafting any?
20 A. Any to him?
21 Q. Yeah.
22 A. I don't remember doing that. We did

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1 meet occasionally for one-on-ones.
2 Q. If you could turn to the second page of
3 this document.
4 A. Right.
5 Q. Do you see where it says Home Infusion
6 Services?
7 A. Yes.
8 Q. "To support placement activities, three
9 'Lunch and Learn' sessions were held on
10 interviewing skills." Do you see that?
11 A. Yes.
12 Q. And then a resume writing class was
13 scheduled.
14 A. Yes.
15 Q. Why did you have a lunch and learn
16 session?
17 A. It was for the people in Home Infusion
18 because they were all going to be displaced,
19 every one of them, and they were afraid.
20 So I wanted to prepare them for
21 interviewing. I wanted to prepare them how to
22 write their resume. I wanted them to get good

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<p style="text-align: right;">Page 290</p> <p>1 jobs.</p> <p>2 Q. When you say "displaced," what do you</p> <p>3 mean?</p> <p>4 A. When we shut down Home Infusion, they</p> <p>5 lost their job. They went to another place in</p> <p>6 Abbott, but they had to interview for it. It</p> <p>7 wasn't an automatic.</p> <p>8 Q. Other than Mr. Rodman; right?</p> <p>9 A. He retired.</p> <p>10 Q. Was that a voluntary decision on his</p> <p>11 part?</p> <p>12 A. Yes.</p> <p>13 Q. Can you think of any reason why you</p> <p>14 wouldn't want to have Mr. Rodman if he chose to</p> <p>15 not retire?</p> <p>16 A. No. I was very sad to hear that he was</p> <p>17 retiring.</p> <p>18 Q. Was he a good employee?</p> <p>19 A. Yes, for me very good.</p> <p>20 Q. Ma'am, if you could just look at the</p> <p>21 last page of this document.</p> <p>22 A. Okay.</p>	<p style="text-align: right;">Page 292</p> <p>1 product sales agreement, or a line item</p> <p>2 agreement.</p> <p>3 Q. Was this for University of Michigan or</p> <p>4 Home Med?</p> <p>5 A. Yes.</p> <p>6 Q. Was University of Michigan also known</p> <p>7 as Home Med?</p> <p>8 A. Yes.</p> <p>9 Q. Who is Rhea Alston?</p> <p>10 A. She was a sales representative that</p> <p>11 worked for me.</p> <p>12 Q. Under Item 1 -- well, first of all,</p> <p>13 what do you recall about the transition of the</p> <p>14 University of Michigan contract? Were there</p> <p>15 issues associated with it?</p> <p>16 A. It was a very long process.</p> <p>17 Q. Do you recall why?</p> <p>18 A. Because they were making a lot of</p> <p>19 demands.</p> <p>20 Q. Like what?</p> <p>21 A. Like they wanted the CHIP system at no</p> <p>22 cost. They wanted very aggressive pricing. They</p>
<p style="text-align: right;">Page 291</p> <p>1 Q. Have you seen not necessarily this</p> <p>2 particular RxLink Sales report but other</p> <p>3 comparable reports like this?</p> <p>4 A. No, not that I remember. And I would</p> <p>5 have no use for it.</p> <p>6 Q. This particular RxLink Sales doesn't</p> <p>7 account at all for Home Infusion. Is that</p> <p>8 because Home Infusion didn't sell under the</p> <p>9 RxLink program?</p> <p>10 A. It's because none of our clients</p> <p>11 purchased product.</p> <p>12 (WHEREUPON Deposition Exhibit</p> <p>13 Kreklow 020 was marked as of 2/7/2008 and</p> <p>14 tendered to the witness.)</p> <p>15 THE WITNESS: Okay.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. Ma'am, do you recognize this document?</p> <p>18 A. No, but I'm familiar with this</p> <p>19 situation.</p> <p>20 Q. What are you familiar with?</p> <p>21 A. This is regarding the transition of</p> <p>22 Home Infusion from a risk share agreement to a</p>	<p style="text-align: right;">Page 293</p> <p>1 threatened to go through the hospital. So things</p> <p>2 like that.</p> <p>3 Q. What do you mean "threatened to go</p> <p>4 through the hospital"?</p> <p>5 A. Well, if it went through the hospital,</p> <p>6 then Alternate Site wouldn't get sales credit for</p> <p>7 it.</p> <p>8 Q. Oh, okay. Was there a competition</p> <p>9 between the Hospital Business Sector and Alt.</p> <p>10 Site for clients?</p> <p>11 A. For Michigan there was.</p> <p>12 Q. Did they have an existing relationship</p> <p>13 with HBS?</p> <p>14 A. Yes.</p> <p>15 Q. How did the issues with the University</p> <p>16 of Michigan ultimately resolve?</p> <p>17 A. They were very happy and so were we.</p> <p>18 Q. Did they sign up with Alt. Site?</p> <p>19 A. Yes.</p> <p>20 Q. If you could look under Item 1 where it</p> <p>21 says "Other discussion."</p> <p>22 A. Uh-huh.</p>

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1 Q. The last sentence says "This makes me
2 leery because while it may be true we cannot
3 provide a service without revenue, it's a
4 contractual obligation more than anything else."
5 Do you see that?

6 A. Yes.

7 Q. Do you know what that meant or what
8 that means to you?

9 A. No. I'll have to read the paragraph.

10 Q. Okay. Go ahead and read that, please.

11 A. Okay.

12 Q. In the context of this -- well, let me
13 ask you, what do you understand this paragraph to
14 be conveying?

15 MR. WINCHESTER: Objection, form.

16 THE WITNESS: They wanted, Home Med
17 wanted to do their own reimbursement. We wanted
18 to transition them. They wanted to just take it
19 over without, and they weren't properly trained.
20 So we wanted to make sure they were properly
21 trained.

22 They were a big, big account. Nobody

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1 could just take them overnight. So that's why we
2 thought we would transition, I believe it was in
3 thirds. We started with the simple therapies
4 like enteral, they would get first, and then
5 build up to TPN.

6 BY MS. ST. PETER-GRIFFITH:

7 Q. What do you mean by that? Meaning they
8 would take over the billing responsibilities?

9 A. Yes, yes.

10 Q. Gradually?

11 A. Yes.

12 Q. And what happened with that suggestion
13 or plan?

14 A. That's what we did.

15 Q. In the middle of this paragraph it says
16 "When we discussed the AR, I stated that it would
17 be impossible for us to continue to provide
18 reimbursement without revenue." Do you see that?

19 A. Yes.

20 Q. What does that mean?

21 A. It means that we wouldn't do it for
22 free.

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1 Q. So were they expecting you to provide
2 free reimbursement services?

3 A. Yes.

4 Q. And you said no?

5 A. Right.

6 Q. And I assume that your division won out
7 on that particular demand?

8 A. Yes, we did.

9 Q. And at the same time you were still
10 able to transition it to Alt. Site as opposed to
11 Hospital Products Division?

12 A. Yes.

13 Q. Is there anything else that you can
14 recall about the University of Michigan
15 transition or transfer?

16 A. They were very complimentary about the
17 process.

18 Q. Under Item 5 where it says "Lost
19 infusion devices/Already purchased devices," the
20 first sentence says "States they've already paid
21 for some of the devices on our pump installment
22 agreement." Do you see that?

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1 A. Uh-huh.

2 Q. What's a pump installment agreement?

3 A. I have to think about that for a
4 moment.

5 I believe it is, it has to do, I can't
6 remember the specifics, with purchasing a certain
7 number of pump sets. And when they purchase a
8 certain number of pump sets, the pump becomes
9 theirs.

10 Q. So it would be just given to them?

11 A. Well, they would have already paid for
12 it.

13 Q. By purchasing the sets?

14 A. The upcharge on the set covered the
15 price of the pump.

16 Q. The upcharge on the set covered the
17 price of the pump.

18 A. Yes.

19 Q. Do you know how that would be billed to
20 a third-party payor?

21 A. No, I don't.

22 Q. Then under Item 2 it says "Inventory

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<p style="text-align: right;">Page 298</p> <p>1 buyout." Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. "Disputing IV poles, battery packs, and</p> <p>4 AC adapters counted in patient's home using</p> <p>5 query." Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. What does that mean?</p> <p>8 A. They didn't want, they did not want to</p> <p>9 count those things that were out with patients in</p> <p>10 their homes.</p> <p>11 Q. Okay.</p> <p>12 A. And we say using query, meaning on the</p> <p>13 CHIP system, we could query which patients had</p> <p>14 what, okay.</p> <p>15 Q. How did that dispute resolve?</p> <p>16 A. They paid for it.</p> <p>17 MS. ST. PETER-GRIFFITH: We'll move on</p> <p>18 to the next exhibit.</p> <p>19 (WHEREUPON Deposition Exhibit</p> <p>20 Kreklow 021 was marked as of 2/7/2008 and</p> <p>21 tendered to the witness.)</p> <p>22 THE WITNESS: Okay.</p>	<p style="text-align: right;">Page 300</p> <p>1 the contract terms or summarize the contract</p> <p>2 terms for the transition from a Home Infusion</p> <p>3 agreement to an Alt. Site?</p> <p>4 A. Yes.</p> <p>5 (WHEREUPON Deposition Exhibit</p> <p>6 Kreklow 022 was marked as of 2/7/2008 and</p> <p>7 tendered to the witness.)</p> <p>8 THE WITNESS: Okay.</p> <p>9 BY MS. ST. PETER-GRIFFITH:</p> <p>10 Q. Ma'am, do you recognize this document?</p> <p>11 A. No.</p> <p>12 Q. Are you familiar with the issue raised</p> <p>13 in it?</p> <p>14 A. I'm familiar that this had to do with</p> <p>15 the Cleveland Clinic negotiation which was long</p> <p>16 and involved.</p> <p>17 Q. Why was the Cleveland Clinic</p> <p>18 negotiation long and involved?</p> <p>19 A. That's the way they do things there.</p> <p>20 Q. And when you say "negotiation," do you</p> <p>21 mean the negotiation to transition them from Home</p> <p>22 Infusion to Alt. Site product sales?</p>
<p style="text-align: right;">Page 299</p> <p>1 BY MS. ST. PETER-GRIFFITH:</p> <p>2 Q. Ma'am, do you recognize this document?</p> <p>3 A. I'm familiar with this situation. I do</p> <p>4 not recognize the document.</p> <p>5 Q. It appears to be an e-mail from you to</p> <p>6 Lynn Coomans?</p> <p>7 A. Yes.</p> <p>8 Q. Do you have any doubt that you sent</p> <p>9 this?</p> <p>10 A. No.</p> <p>11 Q. It's a PharmaThera Executive Summary;</p> <p>12 right?</p> <p>13 A. Yes.</p> <p>14 Q. Not to be confused with PharMerica?</p> <p>15 A. That's why I'm still wondering if</p> <p>16 that's what they mean.</p> <p>17 Q. Oh, okay. Who is A-U-I-X Health --</p> <p>18 Auxi, Auxi Health bought PharmaThera.</p> <p>19 Q. Is this comparable to the executive</p> <p>20 summary that we saw earlier for Cleveland Clinic?</p> <p>21 A. It's the same format.</p> <p>22 Q. Is the purpose behind this to present</p>	<p style="text-align: right;">Page 301</p> <p>1 A. Yes.</p> <p>2 Q. Did they ultimately go to Alt. Site</p> <p>3 product sales?</p> <p>4 A. If I remember correctly, yes.</p> <p>5 Q. As part of your Home Infusion</p> <p>6 contracts, did you also consign Ross product?</p> <p>7 A. Yes.</p> <p>8 Q. Did you also consign TAP product like</p> <p>9 Lupron?</p> <p>10 A. No.</p> <p>11 Q. You're sure of that?</p> <p>12 A. Positive.</p> <p>13 Q. You're sure that Home Infusion has</p> <p>14 never consigned Lupron?</p> <p>15 A. Never as long as I have been affiliated</p> <p>16 with Home Infusion.</p> <p>17 Q. If we have testimony from other</p> <p>18 individuals that Lupron was distributed through</p> <p>19 Abbott Home Infusion, would that surprise you?</p> <p>20 A. Yes.</p> <p>21 Q. Why so?</p> <p>22 A. Because I didn't think we did it.</p>

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<p style="text-align: right;">Page 302</p> <p>1 Q. Is it possible that you just didn't 2 know? 3 A. Well, anything is possible, but I 4 don't, I never have ever heard that we have. I 5 never have seen it on any price list. Nor did we 6 ever put Calcijex out there. So we only did Ross 7 in HPD. That's what I was told. 8 Q. Who told you that? 9 A. Mike Sellers. 10 Q. What price list do you mean? Did you 11 have price lists within Home Infusion? 12 A. Well, I shouldn't say "price list." 13 Product list. 14 Q. Okay. I just wanted to make sure I 15 wasn't missing anything. 16 A. No. I've been in contracting so long, 17 I call everything a price list. 18 Q. But you did consign Ross product? 19 A. Yes. 20 Q. When Abbott's Home Infusion clients 21 transitioned from Home Infusion to Alt. Site, 22 what happened to the consigned Ross product</p>	<p style="text-align: right;">Page 304</p> <p>1 Q. So you were able to keep track of both 2 the HPD products as well as the Ross products in 3 the system? 4 A. Yes. 5 Q. If you could flip to the second page 6 where it says Cleveland Clinic Product Receipts. 7 Do you know what AHIS Product means? 8 A. Abbott Home Infusion Services. 9 Q. And then there's receipts. Do you see 10 that? 11 A. Yes. 12 Q. What is that? Is that how much was 13 charged for the returned product? 14 MR. WINCHESTER: Objection, form. 15 THE WITNESS: I don't know what that 16 means. 17 BY MS. ST. PETER-GRIFFITH: 18 Q. Do you know what List IC means? 19 A. No. 20 Q. Do you recall seeing this report? 21 A. I don't recall seeing this. I don't 22 even know if we generated it.</p>
<p style="text-align: right;">Page 303</p> <p>1 arrangement? 2 A. Ross took it over. 3 Q. So at the same time that you're 4 transitioning contracts with Alt. Site product 5 sales, Ross is at the same time transitioning to 6 get the Ross business? 7 A. Correct. 8 Q. Did you work with Ross in doing that? 9 A. Yes. 10 Q. What does this memo concern? 11 A. It concerns, it sounds like it's an 12 inventory thing, how much product Cleveland 13 Clinic used versus how much we shipped to them. 14 Q. Okay. 15 A. And there was a discrepancy, which 16 there shouldn't be because everything should be 17 in the CHIP system. But then again we say we 18 added hide-a-port, which is a Ross product, and 19 then the total was reconciled. 20 Q. Would the Ross inventory that's 21 consigned also be entered into the CHIP system? 22 A. Yes.</p>	<p style="text-align: right;">Page 305</p> <p>1 Q. So this could have been something that 2 -- 3 A. Cleveland Clinic did. I don't know. 4 Q. But ultimately any disputes were 5 resolved through the contract negotiation process 6 and ultimately you got them as a contract? 7 A. If I remember right, yes. We got them 8 as a customer, and yes, everything was resolved 9 to both of our satisfactions. 10 Q. Do you know whether for every Alt. Site 11 contract that was transitioned from Home Infusion 12 the client also went with Ross? 13 A. I believe there was one, and I don't 14 remember which one, that did not go with Ross. 15 Q. Do you recall why? 16 A. Pricing. 17 Q. They could get their enteral products 18 someplace else for a better price? 19 A. Yes, less money. 20 Q. We're not necessarily going to study 21 the contract in detail. 22 (WHEREUPON Deposition Exhibit</p>

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<p style="text-align: right;">Page 306</p> <p>1 Kreklow 023 was marked as of 2/7/2008 and 2 tendered to the witness.) 3 THE WITNESS: Okay. I don't remember 4 the memo, but I'm familiar with the situation. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Let me ask you this: When the 7 transition was made from Home Infusion to Alt. 8 Site product sales, who did the actual contract 9 negotiation? Would it have been Alt. Site 10 product sales staff? 11 A. No. 12 Q. Yours, your staff? 13 A. Yes. 14 Q. Does that mean that you had to become - 15 - I mean you obviously served as a NAM, so you 16 were somewhat familiar I assume with Alt. Site 17 product sales contract negotiations? 18 A. I was very familiar with all the 19 products. 20 Q. Was there any learning curve associated 21 with needing to get up to speed on certain topics 22 in order to negotiate these contracts?</p>	<p style="text-align: right;">Page 308</p> <p>1 in time was in contract marketing and HPS? 2 A. Yes. 3 Q. Why was he still involved? 4 A. Well, I reported to him, number one, 5 and I respected his opinion. 6 Q. Do you recall which contracts he was 7 involved with? 8 A. Well, he was involved in, our contracts 9 are pretty much all the same. He was involved in 10 reviewing them initially. So it met all of our 11 divisional requirements as a contract. 12 Q. Do you know whether he reviewed each of 13 the transition contracts from Home Infusion to 14 HPD, or to Alt. Site? 15 A. I don't know if he did or not. 16 Q. Were you the conduit that got the 17 contracts to him for review? 18 A. No. Lynn Coomans sent it over to 19 Alternate Site. I don't know what they did with 20 it. 21 Q. Do you recognize this document? 22 A. No.</p>
<p style="text-align: right;">Page 307</p> <p>1 MR. WINCHESTER: Objection, form. 2 THE WITNESS: No. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. Did you work with anyone within Alt. 5 Site in terms of formulating the contracts? 6 A. No. 7 Q. Did you work with anyone in the legal 8 department? 9 A. Yes. 10 Q. Do you recall who you worked with? 11 A. Mike Calsin did that. 12 Q. So Mike was the one who contacted 13 legal? 14 A. Yes. 15 Q. Did you work with Mike in negotiating 16 these contracts? 17 A. Which Mike? 18 Q. Calsin. 19 A. Yes. 20 Q. Did you work with Mike Sellers? 21 A. Sure. 22 Q. Even though Mike Sellers by this point</p>	<p style="text-align: right;">Page 309</p> <p>1 Q. It says Cleveland Clinic Product 2 Agreement. 3 A. Yes. I'm familiar with the situation, 4 but I don't, I don't specifically remember this. 5 Q. Well, is the product agreement the Alt. 6 Site product sales contract? 7 A. Yes. 8 Q. Do you know whether this is the final 9 form of that contract? 10 A. I don't know if it was final. But if 11 it wasn't final, it was near final. 12 Q. Near final, okay. 13 Under Item 3 there's a note from Lynn 14 to you, and she lists under Item 3 "I have 15 reviewed the requirements language for HPD and 16 Ross." 17 What is the requirements language? 18 A. Requirements means your purchase 19 requirements, certain dollar amount that you 20 would purchase, you as a customer would purchase 21 every year. 22 Q. So the customer would be obligating</p>

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<p>1 itself to buy a certain level every year?</p> <p>2 A. Yes. It's a commitment.</p> <p>3 Q. And it says "for both HPD and Ross."</p> <p>4 Do you see that?</p> <p>5 A. Yes.</p> <p>6 Q. Would you also be involved in reviewing</p> <p>7 the Ross language?</p> <p>8 A. No.</p> <p>9 Q. Do you know why Lynn did?</p> <p>10 A. She maintained the contract files. So</p> <p>11 she would have received it, not me.</p> <p>12 Q. It says "I think it might be more clear</p> <p>13 if we changed the HPD language to mirror the Ross</p> <p>14 section where it says eighty-five percent of its</p> <p>15 total home infusion pharmacy infusion therapy</p> <p>16 needs to be available through the HPD product</p> <p>17 catalog per contract year." Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. What does that contract term mean?</p> <p>20 A. Well, if you look at the next</p> <p>21 paragraph, it says Ross put eighty-five percent</p> <p>22 of the items listed in Exhibit A, which is their</p>	<p>1 tendered to the witness.)</p> <p>2 THE WITNESS: Okay.</p> <p>3 BY MS. ST. PETER-GRIFFITH:</p> <p>4 Q. Ma'am, do you recognize this document?</p> <p>5 A. No, but I'm familiar with similar</p> <p>6 documents.</p> <p>7 Q. This appears to be an e-mail from Jim</p> <p>8 Watson --</p> <p>9 A. Yes.</p> <p>10 Q. -- to Cathy Hamilton.</p> <p>11 A. Yes.</p> <p>12 Q. And then it's a cc to you and Jim</p> <p>13 Scuglik.</p> <p>14 A. Scuglik.</p> <p>15 Q. Who's Mr. Watson?</p> <p>16 A. He was my controller.</p> <p>17 Q. What division was he in?</p> <p>18 A. HPD.</p> <p>19 Q. And Mr. Scuglik?</p> <p>20 A. All these people are HPD.</p> <p>21 Q. But Mr. Scuglik's position was where?</p> <p>22 A. In AP-30. I don't know what he did.</p>
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<p>1 price list. That's what the commitment was for</p> <p>2 the customer. So we were just going to make it</p> <p>3 eighty-five percent as well.</p> <p>4 Q. But it wouldn't be charged the catalog</p> <p>5 price; right? It would be charged --</p> <p>6 A. No -- go ahead.</p> <p>7 Q. Go ahead. I just want to confirm that</p> <p>8 when you say HPD product catalog, the reference</p> <p>9 is to the listing of products as opposed to the</p> <p>10 price.</p> <p>11 A. That's right. We didn't want them to</p> <p>12 include other divisional products.</p> <p>13 MS. ST. PETER-GRIFFITH: Okay. This is</p> <p>14 a good breaking point. We've got to change the</p> <p>15 tape.</p> <p>16 THE VIDEOGRAPHER: We are off the</p> <p>17 record at 3:53 p.m. with the end of Tape No. 4.</p> <p>18 (WHEREUPON a recess was taken.)</p> <p>19 THE VIDEOGRAPHER: We are back on the</p> <p>20 record at 4:03 p.m. with the start of Tape No. 5.</p> <p>21 (WHEREUPON Deposition Exhibit</p> <p>22 Kreklow 024 was marked as of 2/7/2008 and</p>	<p>1 Q. What's AP-30? Is that the building?</p> <p>2 A. Yes.</p> <p>3 Q. And Ms. Hamilton?</p> <p>4 A. I don't know her.</p> <p>5 Q. This appears to be forwarding a profit</p> <p>6 and loss. Is that what "P&L" stands for?</p> <p>7 A. Yes.</p> <p>8 Q. Schedule for HIS. Is that Home</p> <p>9 Infusion Services?</p> <p>10 A. Yes.</p> <p>11 Q. How regularly were P&L schedules for</p> <p>12 Home Infusion Services generated?</p> <p>13 A. I don't remember. I don't know.</p> <p>14 Q. I'm sorry?</p> <p>15 A. I don't know.</p> <p>16 Q. Are you familiar with the every year</p> <p>17 twice a year a plan would need to be generated?</p> <p>18 A. Yes.</p> <p>19 Q. Would profit and loss statements be</p> <p>20 generated incident to those plans?</p> <p>21 A. What do you mean by that?</p> <p>22 Q. Meaning would you need information from</p>

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<p style="text-align: right;">Page 314</p> <p>1 a profit and loss schedule to generate those 2 plans? 3 A. Yes. 4 Q. Is it safe to say that at least twice a 5 year P&L schedules were generated? 6 A. Yes. 7 Q. Who would be responsible for generating 8 them? 9 A. Jim Watson. 10 Q. Do you know where they would be 11 maintained? 12 A. In his files and probably Cathy 13 Hamilton's file. 14 Q. Would you have any reason to retain 15 them within Home Infusion Services? 16 A. I did retain some, not all. 17 Q. Would your retained records be either 18 on your computer or would they be hard copies? 19 A. Hard copy. 20 Q. And would they be with those corporate 21 records that we discussed earlier? 22 A. Yes.</p>	<p style="text-align: right;">Page 316</p> <p>1 tendered to the witness.) 2 BY MS. ST. PETER-GRIFFITH: 3 Q. Ma'am, do you recognize that document? 4 A. No. 5 Q. Do you recall an inquiry being made 6 from Mr. Rodman about the renewal of the Red Book 7 subscription? 8 A. Give me a second to read it. 9 Q. Oh, I'm sorry. Go ahead and read it. 10 A. Okay. 11 Q. Do you recall an inquiry being made 12 concerning whether or not to continue with Red 13 Book subscription? 14 A. Yes. 15 Q. Does that refresh your recollection as 16 to whether Abbott Home Infusion Services had a 17 subscription to Red Book? 18 A. Yes. 19 Q. What was that Red Book used for? 20 A. The way I know it, it was an actual 21 book with AWP's. 22 Q. And why would Abbott Home Infusion</p>
<p style="text-align: right;">Page 315</p> <p>1 Q. Ma'am, did you have any input in the 2 generation of these reports? 3 A. Not in the generation of these, no. 4 Q. Would you be consulted? 5 A. No. It's all actual numbers. 6 Q. Would you have a way of tracking what 7 the actual numbers are other than through the 8 generation of a P&L schedule? 9 A. No. 10 Q. Is it fair to say that then you would 11 need to wait until a document like this was 12 generated in order to see how Home Infusion was 13 doing? 14 A. Yes. 15 Q. Do you recall anything else about the 16 generation of the P&L schedules? 17 A. No. 18 Q. Okay. Ma'am, I only have one copy of 19 this document, so I'm going to mark it and I'm 20 going to ask you to show it to Abbott's counsel. 21 (WHEREUPON Deposition Exhibit 22 Kreklow 025 was marked as of 2/7/2008 and</p>	<p style="text-align: right;">Page 317</p> <p>1 Services maintain a subscription to that book? 2 MR. WINCHESTER: Objection, form. 3 THE WITNESS: So they would know what 4 an AWP was when they billed. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Would your sales staff have access to 7 the Red Book? 8 A. No. 9 Q. Do you know whether Red Book 10 information was also contained on the CHIP 11 system? 12 MR. WINCHESTER: Objection, asked and 13 answered. 14 THE WITNESS: That's what this says. 15 BY MS. ST. PETER-GRIFFITH: 16 Q. Would the subscription also include in 17 addition to the hard copy book the computer 18 version of the Red Book maintained on the CHIP 19 system? 20 A. I don't know how that would be 21 transferred. 22 Q. Well, are you aware that Red Book also</p>

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<p style="text-align: right;">Page 318</p> <p>1 furnished electronic information?</p> <p>2 A. No, I wasn't. But that's what this</p> <p>3 says.</p> <p>4 Q. Would Abbott share that Red Book</p> <p>5 information on its CHIP system with its CHIP</p> <p>6 licensees?</p> <p>7 A. Yes.</p> <p>8 Q. Do you know whether that was consistent</p> <p>9 with its licensure agreement with Red Book?</p> <p>10 A. I don't know. I don't know what the</p> <p>11 agreement was. And I can't specifically say that</p> <p>12 we would share it with everybody, but we</p> <p>13 certainly would share it with the people that did</p> <p>14 their own billing.</p> <p>15 Q. Okay.</p> <p>16 A. Because I don't know what the</p> <p>17 reimbursement screen looked like for people that,</p> <p>18 if there was a difference in screens between if</p> <p>19 we did the billing or they did the billing.</p> <p>20 Q. Well, would you have ever suggested to</p> <p>21 the individual clients that they go out and get</p> <p>22 their own subscription to Red Book?</p>	<p style="text-align: right;">Page 320</p> <p>1 did the billing, or we did the billing. I don't</p> <p>2 know if they had any restricted access to</p> <p>3 anything.</p> <p>4 BY MS. ST. PETER-GRIFFITH:</p> <p>5 Q. I see. Okay.</p> <p>6 So you're saying that it might have</p> <p>7 been that it was available on Abbott's CHIP</p> <p>8 system, but if it was something that was licensed</p> <p>9 out to a client, the client might have to get its</p> <p>10 own information?</p> <p>11 A. Right.</p> <p>12 Q. And you don't know whether that</p> <p>13 occurred or not?</p> <p>14 A. I don't know.</p> <p>15 Q. Did you see any reason to renew the Red</p> <p>16 Book subscription for Home Infusion?</p> <p>17 A. No.</p> <p>18 Q. How come?</p> <p>19 A. We were going out of business.</p> <p>20 Q. Who are the cc's on that e-mail?</p> <p>21 A. Me and Daniel Davidson.</p> <p>22 Q. What is Daniel Davidson?</p>
<p style="text-align: right;">Page 319</p> <p>1 A. No. I didn't even remember we had it,</p> <p>2 and I didn't know we had it until I was in the</p> <p>3 director job.</p> <p>4 Q. Did you ever wonder where the Red Book</p> <p>5 information on the CHIP system came from?</p> <p>6 MR. WINCHESTER: Objection, form,</p> <p>7 mischaracterizes.</p> <p>8 THE WITNESS: From Red Book.</p> <p>9 BY MS. ST. PETER-GRIFFITH:</p> <p>10 Q. But in terms of the actual Red Book</p> <p>11 information, do you know whether it came from Red</p> <p>12 Book itself on an electronic form, or was it</p> <p>13 something that would have been input by the Home</p> <p>14 Infusion staff?</p> <p>15 A. I don't know.</p> <p>16 Q. Is it fair to say that if you licensed</p> <p>17 the CHIP system, you also got whatever Red Book</p> <p>18 information was on the CHIP system?</p> <p>19 MR. WINCHESTER: Objection, form.</p> <p>20 THE WITNESS: Again, I don't know</p> <p>21 specifically if there was a differentiation</p> <p>22 between whether they did the billing, the client</p>	<p style="text-align: right;">Page 321</p> <p>1 A. He is, he was a help desk person.</p> <p>2 Q. A CHIP help desk person?</p> <p>3 A. Yes.</p> <p>4 Q. What is the CHIP help desk?</p> <p>5 A. It's when a customer has a problem with</p> <p>6 CHIP, it's a computer system, they do have</p> <p>7 glitches, then they call our help desk. And</p> <p>8 Daniel Davidson or someone else would walk them</p> <p>9 through the issue.</p> <p>10 (WHEREUPON Deposition Exhibit</p> <p>11 Kreklow 026 was marked as of 2/7/2008 and</p> <p>12 tendered to the witness.)</p> <p>13 THE WITNESS: Okay.</p> <p>14 BY MS. ST. PETER-GRIFFITH:</p> <p>15 Q. Ma'am, do you recognize this document?</p> <p>16 A. I don't remember that we had this</p> <p>17 document, but I recognize it as a price list.</p> <p>18 Q. And because it's a price list, does</p> <p>19 that mean that this was something that was</p> <p>20 utilized for purposes of an Alt. Site product</p> <p>21 sales transition to contract?</p> <p>22 A. Yes.</p>

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<p style="text-align: right;">Page 322</p> <p>1 Q. This is an e-mail with attachments sent 2 to you from Lynn Coomans; is that right? 3 A. Yes. 4 Q. Who, again, is Ms. Coomans? 5 A. She reports to Mike Calsin. She was a 6 pricing analyst. 7 Q. Why would she be sending you this 8 pricing list? 9 MR. WINCHESTER: Objection, form, 10 speculation. 11 THE WITNESS: Because this was Auxi 12 Health, the company that bought PharmaThera. It 13 wasn't really PharmaThera anymore but we were 14 calling it PharmaThera. And they were very 15 extremely difficult to deal with, extremely 16 difficult. 17 So that's why she sent it to me. And I 18 just wanted to be involved to see if I could ease 19 the transition. 20 BY MS. ST. PETER-GRIFFITH: 21 Q. Were you involved at all with some of 22 the price negotiations?</p>	<p style="text-align: right;">Page 324</p> <p>1 an individual agreement, and then we would have a 2 commitment from them to purchase a certain amount 3 of product. 4 Q. Is that the difference between the Home 5 infusion transition customer's participation with 6 Alt. Site directly as opposed to participating 7 with a group purchasing organization, that you 8 were able to get a commitment from them? 9 MR. WINCHESTER: Objection, form. 10 THE WITNESS: The customers that did 11 not transition to product sales contracts went 12 with a competitor. So they were no longer 13 purchasing Abbott product. 14 BY MS. ST. PETER-GRIFFITH: 15 Q. Did you have a concern though that 16 instead of transitioning to an Alt. Site product 17 sales contract, that the former Home Infusion 18 clients would just go join a GPO? 19 MR. WINCHESTER: Objection, form. 20 THE WITNESS: It was never anything 21 that came to my mind as being a concern. 22 BY MS. ST. PETER-GRIFFITH:</p>
<p style="text-align: right;">Page 323</p> <p>1 A. Yes. 2 Q. What were the prices that ultimately 3 were negotiated? It appears, for example, on the 4 first page it says "PBI III Each." Do you see 5 that? 6 A. Yes. 7 Q. Does that mean they received the PBI 8 GPO pricing? 9 A. I don't know. That's what they 10 compared it to though. 11 Q. Is that what that reflects, a 12 comparison? 13 A. I would think. I don't know for 14 certain. I can't tell you. And that is 15 something that we would have looked at. 16 Q. That you would have looked at? 17 A. Sure. 18 Q. How come? 19 A. Because that is a price that the 20 customer could access by joining PBI. 21 So if we were substantially higher than 22 that, they would just join PBI and they would get</p>	<p style="text-align: right;">Page 325</p> <p>1 Q. Why was Auxi Health difficult to deal 2 with? Do you recall? 3 MR. WINCHESTER: Objection, form. 4 THE WITNESS: They didn't want to pay 5 us. 6 BY MS. ST. PETER-GRIFFITH: 7 Q. When you say they didn't want to pay 8 you, what do you mean? 9 A. Well, this was the, they did their own 10 reimbursement. This was a very, very old, old 11 contract from when Home Infusion started. We 12 allowed them to do their own reimbursement, so 13 they had to give us the percentage, they had to 14 pay us. And they wouldn't do it. 15 Q. I see. 16 A. But they were happy to take our product 17 on consignment. 18 Q. What are the benefits to a client 19 taking product on consignment? 20 MR. WINCHESTER: Objection, form. 21 THE WITNESS: Cash flow. 22 BY MS. ST. PETER-GRIFFITH:</p>

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<p style="text-align: right;">Page 326</p> <p>1 Q. How do you mean? Can you explain that?</p> <p>2 A. They don't have to outlay any cash to</p> <p>3 have product to use and wait to get reimbursed</p> <p>4 for it.</p> <p>5 Q. What about storage costs, was that a</p> <p>6 consideration or inventory maintenance?</p> <p>7 A. Inventory maintenance was done on the</p> <p>8 CHIP system. And all the pharmacies had plenty</p> <p>9 of storage because they didn't just use Abbott</p> <p>10 product, they used a lot of things.</p> <p>11 Q. So it was primarily the cash flow</p> <p>12 issue?</p> <p>13 A. Yes.</p> <p>14 (WHEREUPON Deposition Exhibit</p> <p>15 Kreklow 027 was marked as of 2/7/2008 and</p> <p>16 tendered to the witness.)</p> <p>17 THE WITNESS: Okay.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. Ma'am, do you recognize this document?</p> <p>20 A. Not this specific document, but I</p> <p>21 recognize getting things like this.</p> <p>22 Q. This appears to be an e-mail sent on</p>	<p style="text-align: right;">Page 328</p> <p>1 spouses. In the event that it would happen, and</p> <p>2 I'm not familiar with it ever happening, that the</p> <p>3 spouse was allowed in, this would be brought</p> <p>4 before that Ethics Committee, it would be</p> <p>5 reviewed, and the representative would be</p> <p>6 reprimanded in some, a determination depending on</p> <p>7 what it was.</p> <p>8 Q. Do you know whether reports would need</p> <p>9 to be made to anyone concerning -- well, let me</p> <p>10 ask you this: Is that what the Ethics and</p> <p>11 Compliance Exception Review Committee is? Did</p> <p>12 they review this type of conduct?</p> <p>13 MR. WINCHESTER: Objection, form.</p> <p>14 THE WITNESS: Yes.</p> <p>15 BY MS. ST. PETER-GRIFFITH:</p> <p>16 Q. Do you know who served on that</p> <p>17 committee?</p> <p>18 A. No.</p> <p>19 Q. Do you recall when this committee came</p> <p>20 into existence?</p> <p>21 A. No.</p> <p>22 Q. Could it have been incident to the</p>
<p style="text-align: right;">Page 327</p> <p>1 behalf of Chris Anderson. Who's Mr. Anderson?</p> <p>2 A. I don't know.</p> <p>3 Q. It says it's to a number of addressees,</p> <p>4 but do you see where you're listed as an</p> <p>5 addressee?</p> <p>6 A. Yes.</p> <p>7 Q. By the way, what does APX mean?</p> <p>8 A. Abbott Park.</p> <p>9 Q. In the body of the first page of the e-</p> <p>10 mail says "To All, I wanted this opportunity to</p> <p>11 share with you the standard process that the</p> <p>12 Ethics and Compliance Exception Review Committee</p> <p>13 is using to determine the appropriate action for</p> <p>14 issues brought before the committee." Do you see</p> <p>15 that?</p> <p>16 A. Yes.</p> <p>17 Q. Do you know what that means?</p> <p>18 A. This is referring to salespeople. If</p> <p>19 there was any issue with, for example, when we do</p> <p>20 dinners, when we have dinners, the physicians can</p> <p>21 come but their spouses can't.</p> <p>22 A lot of doctors want to bring their</p>	<p style="text-align: right;">Page 329</p> <p>1 development of the Office of Ethics and</p> <p>2 Compliance?</p> <p>3 MR. WINCHESTER: Objection, form.</p> <p>4 THE WITNESS: I don't know.</p> <p>5 BY MS. ST. PETER-GRIFFITH:</p> <p>6 Q. Do you know whether the development of</p> <p>7 this procedure or process was made incident to</p> <p>8 the Ross CIA?</p> <p>9 A. I don't know that.</p> <p>10 Q. Do you recall any of your sales force</p> <p>11 members ever being referred to the Ethics and</p> <p>12 Compliance Exception Review Committee?</p> <p>13 A. I don't believe that they have been.</p> <p>14 (WHEREUPON Deposition Exhibit</p> <p>15 Kreklow 028 was marked as of 2/7/2008 and</p> <p>16 tendered to the witness.)</p> <p>17 THE WITNESS: Okay.</p> <p>18 BY MS. ST. PETER-GRIFFITH:</p> <p>19 Q. Ma'am, do you recognize this document?</p> <p>20 A. Yes.</p> <p>21 Q. What is it?</p> <p>22 A. It's my graded goals for 2002.</p>

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<p>1 Q. What are graded goals?</p> <p>2 A. How I achieved a goal or missed a goal,</p> <p>3 performance on attaining a goal.</p> <p>4 Q. Under the area where it says Competency</p> <p>5 Assessment and Results Achieved, did you complete</p> <p>6 that?</p> <p>7 A. No.</p> <p>8 Q. Do you know who completed it?</p> <p>9 A. Oh, wait a minute. This is a different</p> <p>10 form. Yes. I completed that.</p> <p>11 Q. Where would this particular document</p> <p>12 go?</p> <p>13 MR. WINCHESTER: Objection, form.</p> <p>14 THE WITNESS: In my personnel file.</p> <p>15 BY MS. ST. PETER-GRIFFITH:</p> <p>16 Q. Would you receive some kind of annual</p> <p>17 review?</p> <p>18 A. Yes, well, this was reviewed by Mike</p> <p>19 Sellers, and he either, it's always reviewed by a</p> <p>20 manager, and they either approve it or they don't</p> <p>21 approve it.</p> <p>22 Q. Do they sometimes ask you to change it?</p>	<p>1 Q. Would you wait until they got another</p> <p>2 job before transitioning them out of Home</p> <p>3 Infusion?</p> <p>4 A. They all did. They started early. I</p> <p>5 gave people a heads-up, your job's going to go</p> <p>6 away in March, we've got to find you a job now,</p> <p>7 and that's how we did it.</p> <p>8 Q. Then the next phrase is "held firm on</p> <p>9 value of CHIP software." Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. What does that mean?</p> <p>12 A. Most of our clients just wanted us to</p> <p>13 give them the CHIP software.</p> <p>14 Q. And you said no, you're going to pay a</p> <p>15 one-time fee?</p> <p>16 A. Yes.</p> <p>17 Q. Do you recall what that one-time fee</p> <p>18 was?</p> <p>19 A. I don't.</p> <p>20 Q. Then it says "and accounts receivable</p> <p>21 buyouts despite client push-back resulting in</p> <p>22 sales rather than donations." What does that</p>
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<p>1 A. Well, no. They would just change goal</p> <p>2 performance, they would change that from the</p> <p>3 maximum to whatever, if you partially achieved or</p> <p>4 didn't achieve.</p> <p>5 Q. Under Item 5 it says "Make difficult</p> <p>6 decisions."</p> <p>7 A. Yes.</p> <p>8 Q. And under Competency Assessment it says</p> <p>9 "Held firm on client and staff reduction</p> <p>10 timeliness. Held firm on value of CHIP software</p> <p>11 and accounts receivable buyouts despite client</p> <p>12 push-back resulting in sales rather than</p> <p>13 donations and increased respect for us by our</p> <p>14 clients."</p> <p>15 Let's break that down a little bit,</p> <p>16 okay. What do you mean by "held firm on client</p> <p>17 and staff reduction timeliness"?</p> <p>18 A. I was reducing headcount, and I had it</p> <p>19 all staged. I didn't make the decision myself,</p> <p>20 there were several meetings with Jim Watson, and</p> <p>21 I maintained that. So I didn't keep anybody</p> <p>22 longer than we needed them.</p>	<p>1 mean?</p> <p>2 A. Well, an example of that would be what</p> <p>3 Home Med wanted, those pumps that were in</p> <p>4 patients' homes. They thought we should just</p> <p>5 forgive that and not charge them for those.</p> <p>6 Q. Do you know whether that type of</p> <p>7 forgiveness or that type of donation would have</p> <p>8 been in compliance with state and federal</p> <p>9 Medicare or Medicaid laws?</p> <p>10 MR. WINCHESTER: Objection, calls for a</p> <p>11 legal conclusion.</p> <p>12 THE WITNESS: It would have to be</p> <p>13 reported. Any donated product has to be</p> <p>14 reported. That I know. But we didn't let it</p> <p>15 happen.</p> <p>16 BY MS. ST. PETER-GRIFFITH:</p> <p>17 Q. Then it says "increased respect for us</p> <p>18 by our clients." What did you mean by that?</p> <p>19 A. That we held firm. I believe that if</p> <p>20 you don't value what you have, your client isn't</p> <p>21 going to value it either.</p> <p>22 (WHEREUPON Deposition Exhibit</p>

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<p style="text-align: right;">Page 334</p> <p>1 Kreklow 029 was marked as of 2/7/2008 and 2 tendered to the witness.) 3 THE WITNESS: Okay. 4 BY MS. ST. PETER-GRIFFITH: 5 Q. Ma'am, do you recognize this document? 6 A. Yes. 7 Q. What is it? 8 A. It's a review of my second half 9 incentive plan for 2002. 10 Q. I mean given that Home Infusion closed 11 out during this time period -- 12 A. Right. 13 Q. -- how was your incentive then 14 calculated? 15 A. I don't remember how Mike did it. Mike 16 came up with these. I don't remember how he did 17 it. 18 Q. But is it fair to say at the end you 19 got \$30,138 for that six-month time frame? 20 A. I did. 21 MS. ST. PETER-GRIFFITH: This is a 22 composite exhibit.</p>	<p style="text-align: right;">Page 336</p> <p>1 Pete Karas. Do you see that? 2 A. Yes. 3 Q. In the text of your e-mail, at least in 4 the first one to Pete Karas, or actually on each 5 of these e-mails, you're attaching a Chicago 6 Tribune article concerning the parent of Ross 7 Products to pay \$622 million in federal probe. 8 Is that accurate? 9 A. Yes. 10 Q. Prior to reviewing this Chicago Tribune 11 article, did you know about the Ross Products 12 settlement? 13 A. No. I did not. 14 Q. You forwarded, in the text of the first 15 e-mail you said "Pete, Here is the summary 16 article in the event you want to send it out." 17 Do you see that? 18 A. Yes. 19 Q. What did you mean by that? 20 A. It summarized what was in the news that 21 day. 22 Q. And then you suggested "It would be</p>
<p style="text-align: right;">Page 335</p> <p>1 (WHEREUPON Deposition Exhibit 2 Kreklow 030 was marked as of 2/7/2008. 3 BY MS. ST. PETER-GRIFFITH: 4 Q. Ma'am, I'll represent that these appear 5 to be a series of e-mails. (Documents tendered 6 to the witness.) 7 A. Okay. 8 Q. Ma'am, do you recognize these series of 9 e-mails? 10 A. No. 11 Q. Each of them, there are three e-mails, 12 all appear to have been sent on June 27, 2003. 13 Do you see that? 14 A. Yes. 15 Q. They appear to be from you. The first 16 is to Pete Karas. 17 A. Right. 18 Q. The second is to Ruth Abdulmassih. 19 A. Abdulmassih. 20 Q. And Bob Satterlee. 21 A. Yes. 22 Q. And then the last one, again, is to</p>	<p style="text-align: right;">Page 337</p> <p>1 nice to have a conference call on this so that we 2 can proactively explain this to our staff." 3 A. Yes. 4 Q. Why were you suggesting that? 5 A. Because the nature of our business is 6 we call on physicians all day long and the first 7 thing they always say is what's new, or in this 8 instance they would tell us what was new. And I 9 didn't want a salesperson to walk into that and 10 not understand what was going on. 11 Q. Did you end up having a -- first of 12 all, did you learn what Abbott's position was 13 regarding the settlement? 14 A. What do you mean by "position"? 15 Q. Well, let me strike that question. 16 Do you recall ever receiving a 17 memorandum that was sent out Abbott-wide from 18 Miles White explaining the settlement? 19 A. I don't specifically remember that. 20 Q. Did you end up having a conference call 21 with your staff? 22 A. I don't specifically remember, but in</p>

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<p style="text-align: right;">Page 338</p> <p>1 here Pete says he's going to do it. So I'm sure 2 he did it. 3 Q. Do you recall what was discussed? 4 A. Whatever, I didn't reread this whole 5 thing, but whatever the dot points where in this 6 Chicago Tribune article. 7 Q. Did the Ross settlement create any 8 concerns within Abbott's Hospital Products 9 Division? 10 MR. WINCHESTER: Objection, 11 speculation, form. 12 THE WITNESS: Well, the concern was 13 company-wide, I'm sure, that our stock was going 14 to go down. 15 BY MS. ST. PETER-GRIFFITH: 16 Q. What about any other concerns about 17 needing to evaluate conduct within other 18 divisions? 19 MR. WINCHESTER: Object to the 20 question, irrelevant. I think this has already 21 been ruled on by the court. 22 Go ahead.</p>	<p style="text-align: right;">Page 340</p> <p>1 "Confidential" or "Highly Confidential" on this 2 transcript. There are several of them, you know, 3 most particularly I know the ones that you've 4 been discussing with her about her personal 5 financial information, that we certainly would -- 6 MS. ST. PETER-GRIFFITH: Absolutely. 7 MR. WINCHESTER: -- and at least the 8 portions of the transcript that dealt with that, 9 we would. 10 There also were a number of pricing 11 memoranda that you talked about today that are 12 from the mid 2000s that I think we could have 13 some issues with as well. 14 So I guess for now I would want to make 15 sure that this transcript is marked as "Highly 16 Confidential," particularly given those couple 17 areas. I will go through however when we get it 18 and we have it finalized and try and adjust the 19 designations such that the portions of it that 20 are not subject to that would be not so 21 designated. 22 MS. ST. PETER-GRIFFITH: Okay. Well,</p>
<p style="text-align: right;">Page 339</p> <p>1 THE WITNESS: Yes. We had several 2 communications following this on conduct, 3 including those modules that I was discussing 4 earlier that we have to take and pass every year. 5 BY MS. ST. PETER-GRIFFITH: 6 Q. Okay. 7 A. It discusses whatever happened in here, 8 and other things. 9 MS. ST. PETER-GRIFFITH: If you could 10 just give me a couple of minutes, Jason. I'm 11 going to go over my list, and then I might be 12 prepared to pass the witness. 13 MR. WINCHESTER: Do you want us to 14 leave? 15 MS. ST. PETER-GRIFFITH: No. That's 16 all right. 17 MR. WINCHESTER: While you're doing 18 that, Ann, I think in terms of a confidentiality 19 designation on this transcript, I believe that I 20 will be able to go through these eventually and 21 say that there are several of them for which we 22 do not have an issue whether they're marked as</p>	<p style="text-align: right;">Page 341</p> <p>1 certainly with regard to those areas discussing 2 the exhibits and the portions of the transcript 3 discussing Ms. Kreklow's personal financial 4 information, we can consent to those being 5 "Highly Confidential." Everything else you know 6 our position on. 7 THE WITNESS: Yes. 8 MS. ST. PETER-GRIFFITH: We don't 9 agree. 10 I think at this time I'm ready to pass 11 the witness but not adjourn for purposes of the 12 United States this deposition. 13 I'm passing the witness subject to any 14 future production of documents and reserve the 15 right to recall this witness on behalf of the 16 United States, particularly since it sounds like 17 there might be a number of documents that we 18 haven't seen that might be in the corporate 19 records area. 20 I'm going to pass the witness but 21 subject to the reservation of recalling her if 22 additional documents are produced.</p>

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1 MR. WINCHESTER: Just as to that, I
2 don't actually think that's true in terms of the
3 documents. And we are not agreeing that this
4 witness can be recalled, but we'll take that up
5 if you have to make the request at a future time.
6 MS. ST. PETER-GRIFFITH: Well, can you
7 represent to me, Jason, that you've produced all
8 documents pertaining to this witness?
9 MR. WINCHESTER: It is certainly my
10 understanding we have, that anything that came
11 out of corporate records that had to do with Home
12 Infusion and certainly would have come from her
13 files, we have produced. That's part of that
14 ninety plus boxes that you've already got.
15 MS. ST. PETER-GRIFFITH: Well, I've
16 done an exhaustive search of those records and
17 basically what you've seen here today is largely
18 what we've seen. So obviously there's stuff that
19 appears to be missing.
20 MR. WINCHESTER: I don't think so.
21 That's our position.
22 MS. ST. PETER-GRIFFITH: Okay, Jarrett.

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1
2 EXAMINATION
3 BY MR. ANDERSON:
4 Q. Good afternoon, ma'am. I have a few
5 questions for you. My name is Jarrett Anderson.
6 If I understand your testimony
7 correctly, are you testifying that you were not
8 involved in discussions about AWP?
9 A. That's correct.
10 MR. WINCHESTER: Can I ask why Jarrett
11 is asking questions? Ven-a-Care closed out it's
12 examination the first time.
13 MS. ST. PETER-GRIFFITH: It's Texas
14 deposition. It has every right to take
15 questions. And we've been doing that process
16 throughout this litigation.
17 MR. ANDERSON: As you are aware, Jason,
18 my client is a party in multiple suits.
19 MR. WINCHESTER: Yeah. I don't think
20 it was specified earlier that Rand was only there
21 asking on behalf of Ven-a-Care with its Texas hat
22 on. But that's your position, that he was only

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1 asking for Ven-a-Care Texas? So that when he
2 said Ven-a-Care was done and we stayed late the
3 first day, that that was not Ven-a-Care for both
4 purposes?
5 MR. ANDERSON: Well, what I'm telling
6 you is that the cases are on different tracks,
7 and, therefore, a party for instance in the
8 federal case has production that's coming in that
9 is pertinent to the witness, and, therefore, the
10 questioning of the witness is different in the
11 subsequently held section of her deposition.
12 MS. ST. PETER-GRIFFITH: Moreover, the
13 clock didn't start to run on the fourteen hours
14 for the federal deposition until we started
15 today.
16 MR. WINCHESTER: I'm not talking about
17 you, Ann. I'm not sure why you're jumping in on
18 this.
19 I just want to know when I read the
20 transcript and Rand had me stay late so Ven-a-
21 Care could complete its questions the first day
22 and he said Ven-a-Care is done, if now we're

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1 taking the position that that was Ven-a-Care only
2 for Texas purposes, because that certainly was
3 not made clear on the last day of her deposition.
4 MR. ANDERSON: What I think it's really
5 more a function of is that the federal production
6 was forthcoming, and, in fact, there's been
7 production of documents that were fairly
8 voluminous that pertained to this witness that
9 were reviewed. And then in turn the United
10 States was deposing this witness and elicited
11 testimony that I want to follow up on.
12 MR. WINCHESTER: Well, I get that. And
13 I'll give you some leeway to it I guess. I don't
14 think that answers my question when Ven-a-Care
15 says it's done, but I think I see what you're
16 doing. Go ahead.
17 BY MR. ANDERSON:
18 Q. Ma'am, were you ever involved in
19 discussions about AWP?
20 A. No.
21 Q. Were you or your staff ever involved in
22 discussions about AWP?

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<p style="text-align: right;">Page 346</p> <p>1 MR. WINCHESTER: Objection, asked and 2 answered. 3 THE WITNESS: No. 4 BY MR. ANDERSON: 5 Q. Were you or your colleagues ever 6 involved in discussions about AWP? 7 MR. WINCHESTER: Objection, form, asked 8 and answered, speculation. 9 THE WITNESS: With customers? 10 BY MR. ANDERSON: 11 Q. Yes. 12 A. No. 13 Q. Were you involved in internal 14 discussions about AWP? 15 MR. WINCHESTER: Objection, asked and 16 answered. 17 THE WITNESS: Certainly the 18 reimbursement group spoke about it amongst 19 themselves. 20 BY MR. ANDERSON: 21 Q. Were you ever involved in the setting 22 of a list price?</p>	<p style="text-align: right;">Page 348</p> <p>1 Q. Do you recall looking at Exhibit 999 in 2 your prior deposition which involved the setting 3 of a list price on vancomycin in 1995? 4 MR. WINCHESTER: Objection, asked and 5 answered. 6 THE WITNESS: I'm not sure which 7 document that is, but I did not set the price for 8 vancomycin or any other product. 9 BY MR. ANDERSON: 10 Q. Were you involved in the setting of the 11 price? 12 A. No. 13 Q. Did you discuss with Mr. Sellers or 14 others at Abbott customer inquiries about changes 15 in AWP on vancomycin in 1995? 16 MR. WINCHESTER: Objection, asked and 17 answered. 18 THE WITNESS: I did in one instance. 19 BY MR. ANDERSON: 20 Q. And what was that instance? 21 MR. WINCHESTER: Objection, asked and 22 answered.</p>
<p style="text-align: right;">Page 347</p> <p>1 A. No. 2 Q. Were you ever involved in the setting 3 of an AWP? 4 A. No one at Abbott is involved in that. 5 Q. How do you know that? 6 A. Because we don't set AWP. No 7 manufacturing company does. 8 Q. How do you know that? 9 A. I've been told that. 10 Q. By who? 11 A. Mike Sellers. 12 Q. Other than Mr. Sellers, do you have any 13 information whatsoever that Abbott does not 14 control the setting of AWP? 15 A. I've seen several documents, but I 16 can't tell you which ones. 17 Q. Do you recall being involved back in 18 1995 with the setting of the list price on 19 vancomycin? 20 A. No. I was not. 21 Q. You're confident of that? 22 A. Positive.</p>	<p style="text-align: right;">Page 349</p> <p>1 THE WITNESS: A customer called Abbott 2 Park and wanted to know why the AWP had changed. 3 And I went over and talked with someone about 4 that. 5 BY MR. ANDERSON: 6 Q. What customer? 7 A. I have no idea. 8 Q. What was the basic focus of your 9 discussion? 10 MR. WINCHESTER: Objection, asked and 11 answered. 12 THE WITNESS: What is AWP, did AWP go 13 up or did it go down. 14 BY MR. ANDERSON: 15 Q. Who did you talk to? 16 A. Dave Brincks. 17 Q. And what did you learn? 18 MR. WINCHESTER: Objection, asked and 19 answered. 20 We spent a long time on this in the 21 first day, Jarrett. 22 THE WITNESS: I eventually learned that</p>

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<p style="text-align: right;">Page 350</p> <p>1 it had been reduced. 2 BY MR. ANDERSON: 3 Q. Did you subsequently suggest that it be 4 increased? 5 A. No, I didn't. 6 Q. Did you subsequently advocate that it 7 be increased? 8 MR. WINCHESTER: Objection, asked and 9 answered. 10 THE WITNESS: No. 11 BY MR. ANDERSON: 12 Q. Do you consider Mike Sellers to be an 13 honest person? 14 A. Of course. 15 Q. You said that you hold him in high 16 regard; correct? 17 A. Yes. 18 Q. Are you aware that he's sworn under 19 oath that you advocated that the AWP on 20 vancomycin be increased in 1995? 21 MR. WINCHESTER: Objection, 22 argumentative, asked and answered.</p>	<p style="text-align: right;">Page 352</p> <p>1 Q. Why do you think you were copied on e- 2 mails about the setting of the vanco list price? 3 MR. WINCHESTER: Objection, asked and 4 answered. 5 THE WITNESS: Because the one customer 6 had inquired about it. 7 BY MR. ANDERSON: 8 Q. Now, shifting gears to the documents 9 you saw today concerning the PharMerica high 10 runners. Do you agree that those e-mails pertain 11 to AWP's on those high runner products? 12 A. No. 13 Q. Are you disputing that there's 14 references to AWP's in Mr. Lyjak's e-mails? 15 MR. WINCHESTER: If you need to look at 16 these documents again -- 17 MS. ST. PETER-GRIFFITH: Jarrett, which 18 number are you looking at? PharMerica? The e- 19 mails from Ted Lyjak? 20 MR. ANDERSON: Yes. 21 I'll ask another foundational question 22 hopefully to get into this.</p>
<p style="text-align: right;">Page 351</p> <p>1 Go ahead and answer him again. 2 THE WITNESS: Please repeat your 3 question. 4 BY MR. ANDERSON: 5 Q. Are you aware that Mr. Sellers has 6 testified under oath that you suggested or 7 advocated that the AWP on vancomycin be increased 8 in 1995? 9 A. I remember reading a portion of his 10 testimony that suggested that. 11 Q. Do you believe his testimony is false? 12 MR. WINCHESTER: Objection, form, 13 argumentative. 14 THE WITNESS: I believe that's how he 15 remembers things. 16 BY MR. ANDERSON: 17 Q. Do you think that he's got it wrong? 18 A. It's not the way I remember it. 19 Q. What do you remember? 20 A. That I was not involved. 21 Q. At all? 22 A. No.</p>	<p style="text-align: right;">Page 353</p> <p>1 BY MR. ANDERSON: 2 Q. Ma'am, do you recall Mr. Lyjak pointing 3 out some discrepancies between the AWP's on Abbott 4 products and competitive products? 5 A. No. 6 Q. Do you have any understanding of why 7 you would have been consulted about a comparison 8 of AWP's on Abbott products versus competitor 9 products? 10 MR. WINCHESTER: Objection, asked and 11 answered. 12 THE WITNESS: I don't believe I was 13 ever asked to do that. 14 BY MR. ANDERSON: 15 Q. Asked to do what? 16 A. Compare AWP's between our product and 17 other companies. 18 Q. Were you ever requested to retrieve AWP 19 information at all? 20 A. Not to my memory. It's public 21 information. But not to my memory. 22 Q. Were you involved at all in</p>

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<p style="text-align: right;">Page 354</p> <p>1 coordinating the retrieval of AWP information by 2 the reimbursement department at Abbott? 3 A. No. 4 Q. Were you considered a person who had 5 some expertise or knowledge about reimbursement 6 given your past experience in Home Infusion? 7 A. Not whatsoever. 8 MR. WINCHESTER: Objection, form, 9 speculation. 10 BY MR. ANDERSON: 11 Q. Why do you think Mr. Lyjak was 12 directing those inquiries to you? 13 MR. WINCHESTER: Objection, asked and 14 answered, speculation. 15 THE WITNESS: I was the only one in 16 Home Infusion that he knew. 17 BY MR. ANDERSON: 18 Q. Are people in Home Infusion looked to 19 for expertise in AWP or reimbursement issues? 20 MR. WINCHESTER: Objection, form. 21 THE WITNESS: He did. 22 BY MR. ANDERSON:</p>	<p style="text-align: right;">Page 356</p> <p>1 that or why he chose me. 2 Q. You've mentioned several times this 3 afternoon that the reimbursement department at 4 Abbott would from time to time discuss 5 reimbursement issues with customers; is that 6 true? 7 A. That's correct. 8 Q. Is it also true that from time to time 9 personnel at Abbott in the reimbursement 10 department would discuss AWP's with customers? 11 A. Not to my knowledge. It's public 12 information. There would be no reason for us to 13 discuss it with the customer. 14 Q. And it's your testimony that customers 15 do not inquire of Abbott about AWP's? 16 A. Not to my knowledge because it's public 17 information. 18 Q. What do you mean by that? 19 A. It's published in the Red Book. 20 Q. Don't you have to have a subscription? 21 A. I don't know. I personally never did. 22 Q. When you say it's public information,</p>
<p style="text-align: right;">Page 355</p> <p>1 Q. And can you understand why he directed 2 those inquiries to you? 3 MR. WINCHESTER: Objection, asked and 4 answered. 5 THE WITNESS: He directed them to me 6 because I'm the only one that he knew in Home 7 Infusion. 8 BY MR. ANDERSON: 9 Q. Right. But do you agree that personnel 10 with Home Infusion background at Abbott are 11 considered more knowledgeable about AWP and 12 reimbursement? 13 MR. WINCHESTER: Objection, 14 speculation, form. 15 THE WITNESS: Alternate Site product 16 sales personnel understood that Home Infusion 17 Services performed reimbursement functions. 18 BY MR. ANDERSON: 19 Q. And do you think that that's why you 20 were called upon or received some inquiries from 21 Mr. Lyjak? 22 A. I don't know what prompted him to do</p>	<p style="text-align: right;">Page 357</p> <p>1 what do you mean? 2 A. Anyone can access it. 3 Q. On what do you base that? 4 A. Because it's a published book. 5 Q. How do you know that? 6 A. I have seen a large red book. 7 Q. And is it your understanding that those 8 are free to the public or they need to be 9 purchased? 10 A. I never thought about it. 11 Q. Is it appropriate for Abbott personnel 12 to discuss reimbursement with customers? 13 MR. WINCHESTER: Objection, asked and 14 answered, speculation. 15 THE WITNESS: Only if it's specifically 16 related to one of their patients in Home 17 Infusion. 18 BY MR. ANDERSON: 19 Q. How long has that been the policy? 20 MR. WINCHESTER: Objection, 21 mischaracterizes, assumes facts. 22 THE WITNESS: It's always been a policy</p>

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<p style="text-align: right;">Page 358</p> <p>1 for us to provide information regarding a 2 client's own patient. 3 MR. ANDERSON: Objection, 4 nonresponsive. 5 BY MR. ANDERSON: 6 Q. Ma'am, how long has it been the policy 7 at Abbott for Abbott personnel to only be 8 authorized to discuss reimbursement about an 9 individual patient? 10 MR. WINCHESTER: Objection, assumes 11 facts, argumentative. 12 THE WITNESS: I can't tell you that. 13 BY MR. ANDERSON: 14 Q. Do you have any information whatsoever 15 to support that testimony? 16 MR. WINCHESTER: Objection, 17 argumentative. 18 THE WITNESS: I was involved in 19 conversations, but I can't tell you what time 20 they were, and I can't tell you if conversations 21 such as that occurred prior to my introduction in 22 Home Infusion.</p>	<p style="text-align: right;">Page 360</p> <p>1 A. Yes. 2 Q. So Abbott was in fact expert in 3 reimbursement matters? 4 MR. WINCHESTER: Objection, form. 5 THE WITNESS: The reimbursement 6 department in Home Infusion Services was, yes. 7 BY MR. ANDERSON: 8 Q. Well, given that expertise, on what do 9 you base your testimony that Abbott was not 10 skilled in reimbursement matters? 11 MR. WINCHESTER: Objection, form, 12 mischaracterizes the testimony. 13 THE WITNESS: I was referring to people 14 outside of the reimbursement department. 15 BY MR. ANDERSON: 16 Q. I see. Okay. 17 You mentioned that you have nothing to 18 do with AWP. On what do you base your testimony 19 that Abbott has nothing to do with AWP? 20 A. Abbott, I said Abbott does not set AWP. 21 Q. Does Abbott have something to do with 22 the publication of AWP?</p>
<p style="text-align: right;">Page 359</p> <p>1 BY MR. ANDERSON: 2 Q. What was your understanding of the 3 reasons why it was considered inappropriate for 4 Abbott personnel to discuss reimbursement other 5 than reimbursement on a specific patient? 6 MR. WINCHESTER: Objection, 7 mischaracterizes, calls for speculation. 8 THE WITNESS: It had nothing to do with 9 us, nor did we have the expertise. 10 BY MR. ANDERSON: 11 Q. The expertise in what? 12 A. In reimbursement. 13 Q. Is it your testimony that Abbott did 14 not represent itself as an expert in 15 reimbursement matters? 16 MR. WINCHESTER: Objection, 17 mischaracterizes. 18 THE WITNESS: Only the reimbursement 19 department were expert in reimbursement. 20 BY MR. ANDERSON: 21 Q. And they're part of Abbott; aren't 22 they?</p>	<p style="text-align: right;">Page 361</p> <p>1 A. It's my understanding, not the 2 publication necessarily, but it's my 3 understanding that AWP is arrived at using a 4 formula with the list price of a product. 5 Q. Which those list prices are published 6 by Abbott; correct? 7 A. Yes. 8 Q. So in that sense Abbott does have 9 involvement in the publication of AWP; correct? 10 MR. WINCHESTER: Objection, form, 11 argumentative. 12 THE WITNESS: Yes, they do. I said 13 they do not set the AWP. 14 BY MR. ANDERSON: 15 Q. Is Abbott's involvement in the 16 publication of AWP one reason that customers 17 would inquire of Abbott over the years about AWP 18 on Abbott products? 19 MR. WINCHESTER: Objection, calls for 20 speculation, mischaracterizes, argumentative. 21 THE WITNESS: Not in my experience. 22 BY MR. ANDERSON:</p>

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<p style="text-align: right;">Page 362</p> <p>1 Q. What in your experience was the 2 reasoning for customers inquiring of Abbott about 3 AWP's? 4 MR. WINCHESTER: Objection, 5 mischaracterizes, assumes facts. 6 THE WITNESS: It is possible that it 7 was part of a conversation when a client called 8 our reimbursement department regarding a specific 9 patient claim. 10 BY MR. ANDERSON: 11 Q. More so than just being possible, is it 12 true that you in fact know that that has occurred 13 over the years? 14 A. No. I cannot tell you I was witness to 15 any conversation. 16 Q. Can you testify that that has not 17 occurred over the years? 18 A. No. 19 Q. Can you point to any instance where any 20 Abbott employee was disciplined for discussing 21 reimbursement or AWP? 22 A. Any Abbott employee?</p>	<p style="text-align: right;">Page 364</p> <p>1 argumentative. 2 THE WITNESS: Absolutely not. 3 BY MR. ANDERSON: 4 Q. Is it your testimony that no Abbott 5 employees discussed reimbursement with customers 6 over the years? 7 MR. WINCHESTER: Objection, asked and 8 answered. 9 THE WITNESS: Yes, to my knowledge, 10 yes. 11 BY MR. ANDERSON: 12 Q. Would you be surprised to know that 13 numerous Abbott employees have testified under 14 oath in this matter that they did discuss 15 reimbursement and AWP with customers? 16 A. Yes, I would be. 17 Q. Would you consider that to be a 18 violation of Abbott policy? 19 MR. WINCHESTER: Objection, calls for - 20 - 21 MR. ANDERSON: I'll rephrase. 22 BY MR. ANDERSON:</p>
<p style="text-align: right;">Page 363</p> <p>1 Q. Yes. 2 A. The Ross claim. 3 Q. It's your understanding that Ross 4 personnel were disciplined in connection with the 5 government investigation and ultimate settlement 6 concerning Ross? 7 A. It's my opinion that, yes. 8 Q. Okay. Setting aside the Ross criminal 9 settlement, are you aware of any other instance 10 where an Abbott employee was disciplined in any 11 way for discussing reimbursement? 12 A. No. I am not. 13 Q. Are you aware of any reason why 14 Abbott's policies concerning reimbursement were 15 kept in oral form only prior to 2004? 16 A. I have no idea. 17 MR. WINCHESTER: Objection, form. 18 BY MR. ANDERSON: 19 Q. Would you agree that it's easier for 20 employees to violate policies if those policies 21 are not documented in writing? 22 MR. WINCHESTER: Objection,</p>	<p style="text-align: right;">Page 365</p> <p>1 Q. Ma'am, would you consider it to be a 2 violation of Abbott policy if Abbott employees 3 admitted to discussing AWP and reimbursement 4 issues with customers over the years? 5 MR. WINCHESTER: Objection, 6 speculation, form. 7 THE WITNESS: Well, it wouldn't be 8 against Abbott policy for them to admit 9 something. But, yes, it's against Abbott policy 10 for them to discuss reimbursement. 11 BY MR. ANDERSON: 12 Q. And it has been for as long as you know 13 back to the early '90s? 14 A. As long as I know, yes. 15 Q. You mentioned earlier in your testimony 16 that you in part were responsible for 17 ascertaining Home Infusion clients' payor mix; is 18 that correct? 19 A. Yes -- no. Correction. I did not 20 ascertain their payor mix. I brought that 21 information back to Abbott Park, and it was 22 provided by the client.</p>

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<p style="text-align: right;">Page 366</p> <p>1 Q. Right. I'm sorry. I may not have made 2 that question clear. 3 Part of your job was to ask the client 4 companies that Home Infusion did business with 5 what their payor mix was; correct? 6 A. That was part of the contract proposal 7 preparation, yes. 8 Q. And in those instances the Home 9 Infusion customers of Abbott would disclose to 10 Abbott the general percentages in which they were 11 reimbursed by Medicaid, Medicare, private 12 insurance, et cetera; correct? 13 MR. WINCHESTER: Objection. 14 THE WITNESS: Only those three, yes. 15 BY MR. ANDERSON: 16 Q. And then in turn you would share that 17 information with the personnel in contract 18 marketing; correct? 19 A. Yes. 20 Q. What was your understanding of the 21 significance of the payor mix? 22 MR. WINCHESTER: Objection, asked and</p>	<p style="text-align: right;">Page 368</p> <p>1 A. No, not to my knowledge. 2 Q. Why not? 3 MR. WINCHESTER: Objection, 4 speculation. 5 THE WITNESS: I don't know. 6 BY MR. ANDERSON: 7 Q. Do you believe that you've previously 8 provided any type of input to any other personnel 9 at Abbott about how given payors reimburse on AWP 10 or otherwise? 11 A. Only what we've seen today where I said 12 some states pay on AWP. 13 Q. You're referring to an exhibit you saw 14 today? 15 A. Yes. 16 Q. Which one? 17 A. I don't remember. 18 Q. If you could pull out what's been 19 marked today as Kreklow Exhibit 16. It was also 20 previously marked as Kipperman Exhibit 481. 21 A. Okay. 22 Q. Looking at the bottom section of the</p>
<p style="text-align: right;">Page 367</p> <p>1 answered. 2 THE WITNESS: I don't know specifically 3 how they utilized the information. 4 BY MR. ANDERSON: 5 Q. Well, did you have any understanding of 6 why the information was important to the Home 7 Infusion customer process? 8 A. To determine if the client proposal 9 would be profitable for Abbott. 10 Q. And how would understanding the payor 11 mix help Abbott ascertain profitability? 12 MR. WINCHESTER: Objection, form, 13 speculation. 14 THE WITNESS: As I mentioned earlier in 15 my testimony today, if we had a customer that had 16 a large population of historically poor paying 17 whatever, then we would look at maybe not taking 18 that client on. 19 BY MR. ANDERSON: 20 Q. In the context of analyzing payor mix, 21 did Abbott consider whether or not a given 22 reimbursor paid off AWP?</p>	<p style="text-align: right;">Page 369</p> <p>1 first page of Exhibit 16, do you see a section 2 that begins with the word "Questions"? 3 A. Yes. 4 Q. I'll read for the benefit of the 5 record. "Questions to use when probing customer 6 with AWP cost complaints: Get them to do 7 analysis on the following if they are looking to 8 quantify losses." Did I read that correctly? 9 A. Yes. 10 MR. WINCHESTER: Objection, asked and 11 answered. 12 BY MR. ANDERSON: 13 Q. Then the first bullet reads "What 14 percentage of your patients are reimbursed based 15 on AWP"; correct? 16 A. Yes. 17 Q. Then the next sub-bullet reads "What 18 percentage of your business is reimbursed by 19 Medicaid?" Did I read that correctly? 20 A. Yes. 21 Q. Were you involved at all in the 22 discussion of those issues?</p>

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<p style="text-align: right;">Page 370</p> <p>1 MR. WINCHESTER: Objection, asked and 2 answered twice now. 3 THE WITNESS: Those specific issues, 4 no. And I did not write this document. 5 BY MR. ANDERSON: 6 Q. Did you have any involvement in any 7 discussion of those issues, whether you wrote the 8 memo setting forth the minutes or not? 9 MR. WINCHESTER: Objection, asked and 10 answered. 11 THE WITNESS: Not to my recollection. 12 BY MR. ANDERSON: 13 Q. Do you agree that between you, Pete 14 Baker, Jeff Balzer, and Ted Lyjak you had the 15 experience in Home Infusion concerning payor mix? 16 A. Define experience on payor mix. 17 Q. Well, Mr. Baker never worked in Home 18 Infusion -- 19 A. Yes, he did. 20 Q. -- other than holding a job similar to 21 yours; correct? 22 A. That's correct.</p>	<p style="text-align: right;">Page 372</p> <p>1 answered, and to the form. 2 THE WITNESS: No. 3 BY MR. ANDERSON: 4 Q. Do you believe that the author of 5 Exhibit 16 is flatly wrong to document your 6 involvement in a meeting about such things as AWP 7 and payor mix? 8 MR. WINCHESTER: Objection, asked and 9 answered, argumentative. 10 THE WITNESS: Yes, I do. 11 BY MR. ANDERSON: 12 Q. Do you believe you've been set up? 13 MR. WINCHESTER: Objection, 14 argumentative. 15 THE WITNESS: Certainly not. 16 BY MR. ANDERSON: 17 Q. Can you think of any reason why someone 18 would mistakenly include your name in meeting 19 minutes about reimbursement issues? 20 MR. WINCHESTER: Objection, asked and 21 answered. 22 THE WITNESS: No, I cannot.</p>
<p style="text-align: right;">Page 371</p> <p>1 Q. Jeff Balzer did not work in Home 2 Infusion; correct? 3 A. Correct. 4 Q. Ted Lyjak did not work in Home 5 Infusion; correct? 6 A. Yes. 7 Q. Do you believe that you were involved 8 in discussions about AWP and payor mix in the 9 context of the meeting that was held around July 10 12th of 2001? 11 MR. WINCHESTER: Objection, asked and 12 answered. 13 THE WITNESS: I have previously worked 14 with Pete Baker and Jeff Balzer and Ted Lyjak. I 15 was the only person that they knew in Home 16 Infusion, which is why Jeff called me. And I do 17 not remember Jeff's specific questions. 18 BY MR. ANDERSON: 19 Q. Do you recall generally that you 20 provided some input about payor mix, AWP, or 21 reimbursement at all? 22 MR. WINCHESTER: Objection, asked and</p>	<p style="text-align: right;">Page 373</p> <p>1 BY MR. ANDERSON: 2 Q. Can you recall any other instance where 3 you were noted as being an attendee at a meeting 4 that you did not actually participate in? 5 A. Not in my memory. 6 Q. Does it seem a little strange to you 7 that you would be noted as participating in a 8 meeting that you're now testifying you were not 9 involved in? 10 MR. WINCHESTER: Objection, asked and 11 answered. 12 THE WITNESS: It's a puzzlement, but 13 it's not strange. 14 BY MR. ANDERSON: 15 Q. Is there something wrong about holding 16 meetings about reimbursement? 17 MR. WINCHESTER: Objection, asked and 18 answered, also calls for speculation. 19 THE WITNESS: It depends in which 20 context. 21 BY MR. ANDERSON: 22 Q. In this context, in the context set</p>

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<p style="text-align: right;">Page 374</p> <p>1 forth in Exhibit 16. 2 MR. WINCHESTER: Objection, form. 3 THE WITNESS: Where only Abbott 4 managers were apparently discussing AWP? I don't 5 see that that is against policy. 6 BY MR. ANDERSON: 7 Q. Do you agree that Exhibit 16 is setting 8 forth questions that could be used by Abbott 9 personnel in conversations with Abbott customers? 10 MR. WINCHESTER: Objection, asked and 11 answered. 12 THE WITNESS: No. I don't know why 13 they had those questions. I don't know what they 14 were going to do with them. 15 BY MR. ANDERSON: 16 Q. Well, looking at that text that I read, 17 and I'll read again for the record, "Questions to 18 use when probing customers with AWP cost 19 complaints: Get them to do an analysis of the 20 following if they are looking to quantify 21 losses." Did I read that correctly? 22 A. Yes.</p>	<p style="text-align: right;">Page 376</p> <p>1 MR. ANDERSON: Objection, 2 nonresponsive. 3 BY MR. ANDERSON: 4 Q. I realize that you're saying you don't 5 specifically remember a given complaint other 6 than one in 1995 on vanco. I'm asking a broader 7 question, ma'am. 8 Would it be improper in your experience 9 at Abbott for many years for Abbott personnel to 10 probe customers with questions about AWP? 11 MR. WINCHESTER: Objection, form, asked 12 and answered. 13 THE WITNESS: It would depend on the 14 person that was quote unquote probing and it 15 would depend on the customer and the situation. 16 BY MR. ANDERSON: 17 Q. So there are some Abbott personnel who 18 are authorized to discuss reimbursement? 19 A. Yes. 20 Q. And those are the personnel in the 21 reimbursement department? 22 A. Again, depending, not anymore. There</p>
<p style="text-align: right;">Page 375</p> <p>1 Q. Would having Abbott personnel probe 2 customers about AWP issues be improper? 3 MR. WINCHESTER: Objection, asked and 4 answered, argumentative, calls for speculation. 5 THE WITNESS: I can only speak for Home 6 Infusion Services, and I already discussed how 7 that was done. 8 BY MR. ANDERSON: 9 Q. Why can you only speak to Home 10 Infusion? 11 A. Because I can't speak to that memo and 12 who they were referring to. 13 Q. Well, I'm not limiting my questions to 14 the memo, ma'am. 15 I'm asking you based on your years of 16 experience at Abbott, would it be inappropriate 17 for Abbott personnel to probe customers about AWP 18 cost complaints? 19 MR. WINCHESTER: Objection, form, asked 20 and answered. 21 THE WITNESS: I'm not familiar with any 22 customer complaints about AWP.</p>	<p style="text-align: right;">Page 377</p> <p>1 is a separate group, I don't know who they are, 2 I've never had to utilize them because now I'm 3 selling in the hospital market. Our 4 reimbursement people in Home Infusion only spoke 5 with Home Infusion clients. 6 Q. And those people were authorized to 7 discuss reimbursement; correct? 8 A. The people in the Home Infusion 9 reimbursement department were authorized to 10 discuss reimbursement with their client. 11 Q. Okay. Now, shifting to Alternate Site 12 product sales personnel, would it be appropriate 13 for those personnel to probe customers with AWP 14 questions? 15 MR. WINCHESTER: Objection, asked and 16 answered. 17 Jarrett, my fuse is getting real short 18 here. It's 5:00 o'clock and you've spent your 19 entire questioning not asking one single question 20 that wasn't asked at length by Ray Winter all day 21 the last time we were here and by the government 22 today. If you've got something new, get to it</p>

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<p style="text-align: right;">Page 378</p> <p>1 fast.</p> <p>2 BY MR. ANDERSON:</p> <p>3 Q. Ma'am, you can answer the question.</p> <p>4 A. Please repeat it.</p> <p>5 Q. Yes. Was it authorized or appropriate</p> <p>6 for Alternate Site product sales personnel to</p> <p>7 probe customers with AWP questions in your</p> <p>8 experience at Abbott?</p> <p>9 MR. WINCHESTER: Same objections.</p> <p>10 THE WITNESS: My experience when I was</p> <p>11 in Alternate Site product sales was yes, it was</p> <p>12 not authorized.</p> <p>13 BY MR. ANDERSON:</p> <p>14 Q. So do you believe that suggesting in</p> <p>15 July of 2001 that Abbott personnel probed</p> <p>16 customers with AWP questions to be inappropriate?</p> <p>17 MR. WINCHESTER: Objection, asked and</p> <p>18 answered, to the form, argumentative.</p> <p>19 THE WITNESS: I don't believe that. I</p> <p>20 have no knowledge of it.</p> <p>21 MR. ANDERSON: Objection,</p> <p>22 nonresponsive.</p>	<p style="text-align: right;">Page 380</p> <p>1 BY MR. ANDERSON:</p> <p>2 Q. Do you remember anything about any</p> <p>3 conversations, whether they be physical or</p> <p>4 metaphysical?</p> <p>5 MR. WINCHESTER: Objection,</p> <p>6 argumentative, asked and answer.</p> <p>7 THE WITNESS: Jeff Balzer and I had a</p> <p>8 conversation, and I cannot tell you what the</p> <p>9 content was, but he and I did have a</p> <p>10 conversation.</p> <p>11 BY MR. ANDERSON:</p> <p>12 Q. Have you ever --</p> <p>13 MR. WINCHESTER: She's not answering</p> <p>14 the question, Jarrett.</p> <p>15 THE WITNESS: And it was mostly about</p> <p>16 his wife who passed away.</p> <p>17 I said and the conversation was mostly</p> <p>18 about his wife who had passed away.</p> <p>19 BY MR. ANDERSON:</p> <p>20 Q. Have you ever been party to any or for</p> <p>21 that matter become aware of any decision by</p> <p>22 Abbott to price its products in consideration of</p>
<p style="text-align: right;">Page 379</p> <p>1 BY MR. ANDERSON:</p> <p>2 Q. Ma'am, if in July of 2001 Abbott</p> <p>3 personnel were told they could probe customers</p> <p>4 with AWP questions, would that be appropriate or</p> <p>5 inappropriate?</p> <p>6 MR. WINCHESTER: Objection to the</p> <p>7 hypothetical.</p> <p>8 THE WITNESS: To customers?</p> <p>9 BY MR. ANDERSON:</p> <p>10 Q. Yes.</p> <p>11 A. No. We wouldn't recommend that.</p> <p>12 Q. Did you ever advise Mr. Baker, Mr.</p> <p>13 Balzer, and Mr. Lyjak that that type of inquiry</p> <p>14 is inappropriate?</p> <p>15 A. I don't remember.</p> <p>16 Q. You simply don't remember one way or</p> <p>17 the other anything about a meeting in July of</p> <p>18 2001?</p> <p>19 MR. WINCHESTER: Objection,</p> <p>20 mischaracterizes the testimony.</p> <p>21 THE WITNESS: A physical meeting, no.</p> <p>22 I do not remember anything about that.</p>	<p style="text-align: right;">Page 381</p> <p>1 provider dispensing fees?</p> <p>2 A. I am not aware of any such instance.</p> <p>3 Q. Do you believe it's appropriate for</p> <p>4 Abbott to price its products in consideration of</p> <p>5 provider or pharmacy dispensing fees?</p> <p>6 MR. WINCHESTER: Objection to the form.</p> <p>7 THE WITNESS: I don't know why you</p> <p>8 would assume that I have an opinion or have a</p> <p>9 thought on that because it's nothing that ever</p> <p>10 entered my mind.</p> <p>11 BY MR. ANDERSON:</p> <p>12 Q. In 1995 in the context of the</p> <p>13 vancomycin list price and AWP issues, did you</p> <p>14 have any thought or consideration of provider</p> <p>15 dispensing fees?</p> <p>16 MR. WINCHESTER: Objection,</p> <p>17 mischaracterizes the testimony, assumes facts.</p> <p>18 THE WITNESS: No. I did not.</p> <p>19 BY MR. ANDERSON:</p> <p>20 Q. Are you aware of anyone at Abbott</p> <p>21 deciding to price vancomycin at any level based</p> <p>22 upon provider or pharmacy dispensing fees?</p>

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<p>1 A. I'm not aware of any such instance.</p> <p>2 Q. Can you think of any justification for</p> <p>3 setting list prices at a certain level based on</p> <p>4 provider or pharmacy dispensing fees?</p> <p>5 MR. WINCHESTER: Objection, form.</p> <p>6 THE WITNESS: Again, I have no</p> <p>7 knowledge how list prices are set.</p> <p>8 MR. ANDERSON: I'll pass the witness.</p> <p>9</p> <p>10 EXAMINATION</p> <p>11 BY MR. SISNEROS:</p> <p>12 Q. Could you turn to --</p> <p>13 MR. WINCHESTER: What kind of time are</p> <p>14 we talking about here?</p> <p>15 MR. SISNEROS: I don't know --</p> <p>16 MR. WINCHESTER: We pushed passed 5:00</p> <p>17 with forty minutes of absolute rehash.</p> <p>18 MR. SISNEROS: Well, I mean I am going</p> <p>19 to be going over some exhibits that were admitted</p> <p>20 into the record by the federal government. I am</p> <p>21 going to be putting in some documents that are</p> <p>22 not exhibits to this deposition. And there are</p>	<p>1 MR. SISNEROS: Well, then my suggestion</p> <p>2 is that the deposition not be adjourned and that</p> <p>3 we continue at another date.</p> <p>4 I mean I'll note that California's</p> <p>5 discovery has begun. We anticipate that a lot of</p> <p>6 the document productions already made, probably</p> <p>7 are documents that we have received, or should</p> <p>8 shortly receive.</p> <p>9 With respect to what the federal</p> <p>10 government received, it's my understanding of, I</p> <p>11 don't know how many boxes, I don't know if it's</p> <p>12 over a hundred or a hundred boxes, whatever,</p> <p>13 certainly California hasn't had the opportunity</p> <p>14 to review that. Some of the documents that were</p> <p>15 admitted into this deposition here today were new</p> <p>16 to us.</p> <p>17 So, yes, we have some questions on the</p> <p>18 new documents that have been put forth. And I'm</p> <p>19 not going to limit myself in terms of questions.</p> <p>20 And I do have a lot of follow-up questions for</p> <p>21 Ms. Kreklow.</p> <p>22 MR. WINCHESTER: My only question for</p>
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<p>1 some areas that could very well become open-</p> <p>2 ended. But I don't have plans of walking over</p> <p>3 the same areas that have been walked over before.</p> <p>4 MR. WINCHESTER: How much time do you</p> <p>5 think you're going to need? This is abusive.</p> <p>6 MR. SISNEROS: Well, California hasn't</p> <p>7 asked --</p> <p>8 MR. ANDERSON: Needless to say, we</p> <p>9 totally disagreed with that position.</p> <p>10 MR. WINCHESTER: Please. Check the</p> <p>11 record.</p> <p>12 How much time are you going to need?</p> <p>13 MR. SISNEROS: I don't know, Jason. I</p> <p>14 have new documents that I'm going to put into the</p> <p>15 record and I'm going to go over some of the</p> <p>16 exhibits that have already been admitted into</p> <p>17 evidence in this deposition.</p> <p>18 MR. WINCHESTER: I need to know if this</p> <p>19 is something you think you can finish within a</p> <p>20 very reasonable amount of time tonight because</p> <p>21 this witness is not going to stay here until 8:00</p> <p>22 o'clock.</p>	<p>1 you is time, Eliseo, and we're at 5:10.</p> <p>2 MR. SISNEROS: I'm not going to limit</p> <p>3 myself. I mean I don't understand. You're the</p> <p>4 one that's putting the time limitation. What</p> <p>5 time limitation are you imposing?</p> <p>6 MR. WINCHESTER: We customarily end</p> <p>7 these depositions at 5:00. I mean I'm beyond</p> <p>8 irritated with things that were gone over and</p> <p>9 over and over again that were covered in the</p> <p>10 first nine hours of this witness' deposition.</p> <p>11 I understand you need your ability to</p> <p>12 ask questions. What I want to know is can you</p> <p>13 be, if we, and I would have to ask the witness,</p> <p>14 could stay another hour or something like that or</p> <p>15 a little more than that, can you be done?</p> <p>16 Because if not, and you're telling me that no</p> <p>17 matter what time we stay until reasonably tonight</p> <p>18 that you're going to keep this thing open, then</p> <p>19 we may as well be done.</p> <p>20 MR. SISNEROS: Well, and I would keep</p> <p>21 it open based upon the fact that, you know, in</p> <p>22 the California case discovery has begun. The</p>

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<p style="text-align: right;">Page 386</p> <p>1 first production from Abbott has been made. That 2 production is being reviewed. 3 We also have to under the MDL see what 4 production was made to the federal governments so 5 we can make that determination. It's all about 6 timing, the timing of the production of 7 documents. 8 I don't want to be difficult about 9 this. My concern is if any new documents are 10 revealed through the discovery process, we want 11 to be, we want to have access to Ms. Kreklow if 12 the need comes up to ask questions about those 13 documents. That's where I'm coming from. 14 MR. WINCHESTER: Okay. Well, it sounds 15 to me like your view is you haven't even had a 16 chance to go through what you've got yet. So 17 you're telling me you need to go through the 18 documents that you have in order to be ready to 19 question her. 20 MR. SISNEROS: Well, we have reviewed 21 the documents that we have, and a lot of the 22 documents that we have are part of the record of</p>	<p style="text-align: right;">Page 388</p> <p>1 and now in the MDL. 2 Could I turn your attention to Exhibit 3 3, please. 4 A. Okay. Yes. 5 Q. Is that before you? 6 A. Right there. 7 Q. Is that the memo from Leone dated April 8 5, 1996? 9 A. Yes. 10 Q. You have a cover page in front of 11 yours, okay. 12 With respect to this inter-office memo 13 dated April 15, 1996, did you have e-mail at the 14 time? 15 A. Yes. 16 Q. Was Ms. Leone in your chain of command? 17 A. No. 18 Q. Whose chain of command was she in? 19 A. I believe Ginny Tobiason. 20 Q. This inter-office memo is addressed to 21 you; correct? 22 A. Yes.</p>
<p style="text-align: right;">Page 387</p> <p>1 this deposition already. 2 What is new are the documents that were 3 put into, some of the documents that were put 4 into the record today. And I am going to have 5 follow-up questions to that, and I am going to 6 have some documents that were produced today that 7 I would like to ask questions on. So I don't 8 know. I mean you -- 9 MR. WINCHESTER: Let me take a few 10 minutes with the witness and see what she's 11 feeling like. 12 MR. SISNEROS: All right. 13 THE VIDEOGRAPHER: We are off the 14 record at 5:12 p.m. with the end of Tape No. 5. 15 (WHEREUPON a recess was taken.) 16 THE VIDEOGRAPHER: We are back on the 17 record at 5:17 p.m. with the start of Tape No. 6. 18 BY MR. SISNEROS: 19 Q. Good afternoon, Ms. Kreklow. I'm 20 Eliseo Sisneros with the State of California 21 Attorney General's Office. I represent the State 22 of California in California's lawsuit in Abbott</p>	<p style="text-align: right;">Page 389</p> <p>1 Q. Sondra Raider? 2 A. Yes. 3 Q. Who's Sondra Raider? 4 A. She was my sales representative in the 5 Chicago area. 6 Q. And Tim Sykes? 7 A. He was the pharmacy director. 8 Q. Would you have expected Ms. Leone to 9 have included her supervisor or her chain of 10 command? 11 MR. WINCHESTER: Objection, form. 12 THE WITNESS: Not necessarily. 13 BY MR. SISNEROS: 14 Q. And I'm sorry, I'm sure you were asked, 15 but Kathy Riddle is? 16 A. The contract marketing manager. 17 Q. And she is in a separate chain of 18 command; is that right? 19 A. Yes. 20 Q. So the information that Leone is 21 sharing here is being shared between two 22 different chains of command within the business</p>

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1 units that -- well, strike that.
 2 Contract marketing, Kathy Riddle in
 3 contract marketing, she worked in contract
 4 marketing with the ASPS, Alt. Site product sales?
 5 A. No.
 6 Q. Okay. What contract marketing?
 7 A. Home Infusion.
 8 Q. And Raider and Sykes who you supervised
 9 were also in Home Infusion?
 10 A. I did not supervise Sykes. But, yes,
 11 all these people are in Home Infusion.
 12 Q. Who supervised Sykes?
 13 A. Mike Sellers.
 14 Q. Were Raider and Sykes, did they hold
 15 equivalent positions?
 16 A. No.
 17 Q. I'm sorry. What was Mr. Sykes' title?
 18 A. He was director of pharmacy. Sonda
 19 Raider was a sales representative.
 20 Q. So of all the individuals involved in
 21 this inter-office memo, Leone, Raider, Sykes, and
 22 Riddle, you only supervised Raider?

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1 A. Yes.
 2 Q. And Sykes was supervised by Sellers you
 3 say?
 4 A. Yes.
 5 Q. And Leone was supervised of course by
 6 Tobiason?
 7 A. Yes.
 8 Q. All right. Now, I have some questions
 9 with regard to the content of this inter-office
 10 memo.
 11 If I understood your testimony earlier,
 12 this is a discussion about one of Home Infusion's
 13 clients asking Abbott's Home Infusion Services to
 14 provide this Ceredase drug to CMHR's patients; is
 15 that right?
 16 A. Yes.
 17 Q. And this Ceredase product is a product
 18 that is produced by a manufacturer other than
 19 Abbott?
 20 A. Yes.
 21 Q. To comply with your client's request,
 22 what Ms. Leone has done an assessment, financial,

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1 of what would be involved in Abbott buying that
 2 product from another manufacturer; is that right?
 3 A. What the cost would be to us, yes.
 4 Q. With regard to Paragraphs 4, 5, and 6,
 5 that is what she has done, she's identified what
 6 the cost would be to Abbott; right?
 7 A. Yes.
 8 Q. And the cost would be that AWP, which
 9 is reported by First Data Bank and Red Book; is
 10 that right?
 11 A. Yes.
 12 Q. She also identifies that there is one
 13 other company that sells it for less than AWP but
 14 only to their specific distributors; is that
 15 right?
 16 A. It's a different product altogether.
 17 Q. But it's a product that would have been
 18 equivalent to this Ceredase?
 19 A. I don't know. I'm not familiar with
 20 the drugs.
 21 Q. If I understand what Ms. Leone is
 22 saying, basically what she is saying that Abbott

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1 as a buyer of this product will not make a profit
 2 if it buys at AWP; is that right?
 3 MR. WINCHESTER: Objection, asked and
 4 answered.
 5 THE WITNESS: Yes.
 6 BY MR. SISNEROS:
 7 Q. So is it fair to characterize what Ms.
 8 Leone is doing here is analyzing for Abbott as a
 9 buyer of another manufacture's product whether or
 10 not it will be profitable to Abbott?
 11 A. She's analyzing whether or not we
 12 should assume any patients where we would have to
 13 buy a nonAbbott product, which we frequently did.
 14 Q. Well, could I draw your attention to
 15 the last sentence of Paragraph 6 where she is
 16 saying, or Bullet Point 6, excuse me, where she
 17 is saying "Since our cost is AWP, there is no way
 18 we can make any money on this drug." Do you see
 19 that?
 20 A. Yes.
 21 Q. Did I read that correctly?
 22 A. Yes.

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<p style="text-align: right;">Page 394</p> <p>1 Q. What she is saying there that if we 2 paid this cost, we make no profit; is that right? 3 A. Yes. 4 Q. Now, if I understood your testimony 5 correctly, you were a sales representative at one 6 time? 7 A. Yes. 8 Q. And I'm sorry, I've forgotten, but what 9 period of time are we talking about? 10 A. It depends. Whenever I was in product 11 sales. 12 Q. Would it have been before 1996? 13 A. Yes. 14 Q. Okay. You sold product before 1996? 15 A. Yes. 16 Q. Did you find that the concern that Ms. 17 Leone is stating in Bullet Point 6 of Exhibit 3, 18 the concerns of cost and the return on this 19 product, those concerns, did you find as a sales 20 rep that potential buyers of Abbott's products 21 had the same concerns? 22 A. No. I never did.</p>	<p style="text-align: right;">Page 396</p> <p>1 MR. WINCHESTER: Objection, form. 2 THE WITNESS: That our pharmacy would 3 want to make money on a patient, make money on 4 performing a service for a patient, that's 5 reasonable. 6 BY MR. SISNEROS: 7 Q. Do you expect that the folks who bought 8 Abbott products, the folks that you sold product 9 to, would have had that same type of reasonable 10 concern? 11 MR. WINCHESTER: Objection, calls for 12 speculation. 13 THE WITNESS: I think that anybody 14 that's in business wants to make a profit, no 15 matter what kind of business they're in. 16 BY MR. SISNEROS: 17 Q. And certainly when you sold product for 18 Abbott directly to a customer, that was an 19 assumption that you made; correct? 20 A. It never came up at that point in time. 21 Q. Well, I don't quite understand your 22 response when you say "it never came up." Did</p>
<p style="text-align: right;">Page 395</p> <p>1 Q. They never had a concern of how much 2 they would pay for product? 3 A. For how much they would pay for 4 product, but not on a return. You said a return. 5 Q. So in all the years that you were 6 involved in sales where you made sales, your 7 customers or potential customers they had no 8 concern about profit that they would make on 9 Abbott's products? 10 MR. WINCHESTER: Objection, form. 11 THE WITNESS: To my knowledge, yes. 12 BY MR. SISNEROS: 13 Q. They were concerned about that? 14 A. To my knowledge, I have no idea if they 15 were concerned. It was not discussed if they 16 were going to be profitable or not by utilizing 17 our product. 18 Q. As a buyer of -- strike that. 19 The concerns expressed by Ms. Leone in 20 Bullet Point 6 of Exhibit 3 on behalf of Abbott 21 as a buyer of drug product, do you consider those 22 concerns to be reasonable?</p>	<p style="text-align: right;">Page 397</p> <p>1 you believe I was asking you if there was a 2 discussion about that because that's not what I'm 3 asking. 4 A. Please ask it again. 5 Q. Okay. When you sold product to 6 Abbott's customers, you assumed that they would 7 want to make some profit off or some reasonable 8 profit from Abbott's products. Isn't that a fair 9 assumption? 10 A. When I sold product to Alternate Site 11 product sales customers, we were very hopeful 12 that they would stay in business and continue to 13 buy product from us. So to stay in business, 14 they would have to be profitable. 15 Q. And that was an assumption you made? 16 A. Yes. 17 Q. Okay. Getting back to Bullet Points 4, 18 5, and 6 of Exhibit 3 -- strike that. 19 Look at Bullet Point 5, the last 20 sentence reads "All other providers are paying 21 AWP." Do you see that? 22 A. Yes.</p>

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<p style="text-align: right;">Page 398</p> <p>1 Q. I don't quite understand that sentence. 2 What do you understand that Ms. Leone is saying 3 there, the providers are paying AWP? 4 MR. WINCHESTER: Objection, form. 5 THE WITNESS: I understood that or 6 understand that by reading this memo that two out 7 of the three approved distributors pay AWP. 8 BY MR. SISNEROS: 9 Q. Okay. And finally in the last bullet 10 point of Exhibit 3 it reads "In Sandra's 11 telephone conversation with Nova Factor, she was 12 told most payors are only paying AWP plus a per 13 diem for this therapy." Did I read that correct? 14 A. Yes. 15 Q. By the word "payors," is she meaning 16 third-party payors? 17 A. Yes. 18 Q. Such as Medicare, Medicaid, and private 19 insurance companies? 20 A. Yes. 21 Q. So what you're being told in that 22 bullet point is that third-party payors reimburse</p>	<p style="text-align: right;">Page 400</p> <p>1 BY MR. SISNEROS: 2 Q. If you could please pull out Exhibit 3 No. 1. 4 A. Okay. 5 Q. Let me just ask you, in May of 1994 6 what were you doing? 7 A. Marketing manager for product sales. 8 Q. In the Alternate Site product sales 9 business unit? 10 A. Yes. 11 Q. With respect to this memo, the cc list, 12 are any of those folks listed there, Cindy Dawson 13 -- strike all that. 14 Let me just ask you this way: The 15 folks that are cc'd there, and I'll only give you 16 the last names, Dawson, Dorr, Elliott, Krajewski, 17 Kreklow, well, that's you, Longley, Manso, Snead, 18 and Walker, are any of those folks under your 19 chain of command? 20 A. No. 21 Q. Now, Cindy Dawson was a contract, 22 worked in contract marketing; correct?</p>
<p style="text-align: right;">Page 399</p> <p>1 at AWP at least for this product? 2 A. That's what I'm being told here. 3 MR. WINCHESTER: Objection, form. 4 BY MR. SISNEROS: 5 Q. So would it be fair to say that one 6 piece of information that can be garnered from 7 this memo is that third-party payors pay at AWP? 8 MR. WINCHESTER: Objection, form. 9 THE WITNESS: It says she was told most 10 payors are only paying AWP, yes. 11 BY MR. SISNEROS: 12 Q. So at least one piece of information 13 that you got is that third-party payors reimburse 14 at AWP? 15 A. Most of them do it says, yes. 16 Q. Okay. In 1996 were you aware that AWP 17 was a price that was published in the pricing 18 compendia? 19 MR. WINCHESTER: Objection, asked and 20 answered. 21 THE WITNESS: In Red Book yes, I was 22 aware of that.</p>	<p style="text-align: right;">Page 401</p> <p>1 A. At one point. She had several 2 positions. 3 Q. I'm sure you discussed Dorr today, and 4 I just don't recall. 5 A. National sales manager. 6 Q. Phil Elliott? 7 A. He was my counterpart for infusion 8 devices, marketing manager. 9 Q. Krajewski? 10 A. Cliff was the manager for distributor 11 sales, we called it distributor relations. 12 Q. And you were marketing manager you said 13 at the time? 14 A. Yes. 15 Q. And Longley worked in contract 16 marketing; is that right? 17 A. I really hardly remember that she was 18 there. So I can't say for sure. 19 Q. How about Manso? 20 A. She was a NAM. 21 Q. And Snead? 22 A. The same.</p>

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1 Q. And Walker?

2 A. National account manager.

3 Q. All right. Well, there's several folks

4 that are listed here that come from within

5 different business units of Alternate Site

6 product sales; is that correct?

7 A. Yes.

8 Q. And the field sales force, and that's

9 to all the sales reps that are out in the field;

10 is that right?

11 A. The field --

12 MR. WINCHESTER: Objection, asked and

13 answered.

14 THE WITNESS: That's what we refer to

15 as the reps in the field is field sales reps.

16 BY MR. SISNEROS:

17 Q. And Mr. Kipperman, who was he at the

18 time?

19 A. He was in contract marketing.

20 Q. He was the director of contract

21 marketing and Alternate Site product sales?

22 A. He was contracting manager.

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1 Q. He was the head of contract marketing

2 Alternate Site product sales?

3 A. Yes.

4 Q. So he wasn't in your chain of command

5 either?

6 A. No.

7 Q. So it's fair to say that what he's done

8 here is he's sent out a bunch of AWP's for

9 Abbott's products to different chains of command

10 within the different business units of the

11 Alternate Site product sales division?

12 MR. WINCHESTER: Object to form.

13 THE WITNESS: This is just about

14 everybody in product sales.

15 BY MR. SISNEROS:

16 Q. Just briefly, you would agree that what

17 Kipperman's telling everyone is that Abbott's

18 list prices reflect or have an effect on average

19 wholesale price quoted in Red Book; is that

20 right?

21 MR. WINCHESTER: Objection, form, asked

22 and answered.

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1 THE WITNESS: Yes.

2 BY MR. SISNEROS:

3 Q. And he's also informing everyone that

4 AWP is quoted for reimbursement purposes?

5 MR. WINCHESTER: Same objection.

6 THE WITNESS: He said, yes, AWP which

7 Red Book quotes for reimbursement purposes.

8 BY MR. SISNEROS:

9 Q. So do you take that to mean

10 reimbursement by third-party payors?

11 A. Yes.

12 MR. WINCHESTER: Objection,

13 speculation.

14 BY MR. SISNEROS:

15 Q. Like Medicare, Medicaid, and private

16 insurance companies?

17 A. I don't know for certain what Steve was

18 thinking, but reimbursement to me means that.

19 Q. Third-party payors?

20 A. Yes.

21 Q. And he concludes as saying that he

22 hopes this information will be helpful.

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1 If you know, how would this information

2 be helpful to the field sales force?

3 MR. WINCHESTER: Objection, asked and

4 answered.

5 THE WITNESS: I don't know how this

6 information would be utilized by the sales force.

7 BY MR. SISNEROS:

8 Q. All right. Could you please turn, you

9 know what, I didn't mark what exhibit number it's

10 in your deposition but it's those notes that were

11 written up of a meeting with you.

12 MR. WINCHESTER: 16.

13 MR. SISNEROS: 16?

14 MR. WINCHESTER: Yes.

15 THE WITNESS: Okay.

16 BY MR. SISNEROS:

17 Q. You were asked by Mr. Anderson given

18 your experience in Home Infusion whether some of

19 these bullet points were the subject matter that

20 would have reflected your experience level -- or

21 let me put it this way, I'm going to be asking

22 you that question.

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<p style="text-align: right;">Page 406</p> <p>1 But with respect to, for example, the</p> <p>2 bullet point, the next to last, "Do they pay on</p> <p>3 AWP for TPN." I believe there was testimony that</p> <p>4 you said that's parenteral, what does TPN stand</p> <p>5 for?</p> <p>6 A. Total parenteral nutrition.</p> <p>7 Q. Is that a unique Home Infusion area?</p> <p>8 MR. WINCHESTER: Objection, form.</p> <p>9 THE WITNESS: TPN is usually paid per</p> <p>10 diem. So it would be unusual for it to be paid</p> <p>11 at AWP.</p> <p>12 BY MR. SISNEROS:</p> <p>13 Q. So it would have been a type of service</p> <p>14 tied to a product that was sold exclusively by</p> <p>15 Home Infusion?</p> <p>16 A. No. It's a product that, it's a</p> <p>17 combination of products that are utilized for</p> <p>18 administration to patients that can't eat. And</p> <p>19 as part of their whole therapy procedure, they</p> <p>20 would get a combination of the products, a pump</p> <p>21 set and pump, an IV pole and numerous other</p> <p>22 things, ancillary supplies.</p>	<p style="text-align: right;">Page 408</p> <p>1 "Experience has told us that roughly one half pay</p> <p>2 on AWP and one half pay on per diem." Did I read</p> <p>3 that correctly?</p> <p>4 A. Yes.</p> <p>5 Q. Is that accurate?</p> <p>6 A. I don't know. I didn't write this.</p> <p>7 Q. But based on your experience in Home</p> <p>8 Infusion Services, do you have any basis to know</p> <p>9 whether that statement there is accurate or not?</p> <p>10 A. No. I do not know.</p> <p>11 Q. Then the next bullet point reads</p> <p>12 "Experience has told us that the net effect on</p> <p>13 home care customers has been an increase of four</p> <p>14 percent in their costs."</p> <p>15 Do you know if that's accurate or not?</p> <p>16 A. I don't know. And I don't understand</p> <p>17 what the bullet point even means.</p> <p>18 Q. Do you recall your earlier testimony</p> <p>19 about I think it was payor mix, that sometimes</p> <p>20 you obtained that information, payor mix?</p> <p>21 A. From the customer, yes.</p> <p>22 Q. And you gave that to contract</p>
<p style="text-align: right;">Page 407</p> <p>1 Q. All right. Now, with respect to the</p> <p>2 second bullet point, the twenty-seven of the</p> <p>3 thirty states have adapted reimbursement to AWP,</p> <p>4 is that a piece of information that you gained in</p> <p>5 your experience in any of the positions that</p> <p>6 you've held at Abbott?</p> <p>7 A. That was published information that I</p> <p>8 received in one of the home care newsletters I</p> <p>9 got.</p> <p>10 Q. The home care newsletters, was that a</p> <p>11 newsletter that was unique to Home Infusion</p> <p>12 Services?</p> <p>13 A. No.</p> <p>14 Q. Were there other business units within</p> <p>15 the ASPS that would receive that newsletter?</p> <p>16 A. Anybody that subscribed to it, would</p> <p>17 receive it. I don't know who would receive it at</p> <p>18 Abbott.</p> <p>19 Q. Would you have to be a member of an</p> <p>20 organization to receive that newsletter?</p> <p>21 A. No.</p> <p>22 Q. Look at the fourth bullet point,</p>	<p style="text-align: right;">Page 409</p> <p>1 marketing?</p> <p>2 A. Yes.</p> <p>3 Q. Look at the bottom third of Exhibit 16</p> <p>4 where it starts off, it says "What percentage of</p> <p>5 your patients are reimbursed based on AWP." Do</p> <p>6 you see that?</p> <p>7 A. Yes.</p> <p>8 Q. The bullet point directly below that,</p> <p>9 "What percentage of your business is reimbursed</p> <p>10 by Medicaid." Did I read that correctly?</p> <p>11 A. Yes.</p> <p>12 Q. Is that a question that you would ask</p> <p>13 to get payor mix?</p> <p>14 A. No.</p> <p>15 Q. What would you ask to get payor mix?</p> <p>16 A. I would say what is your payor mix.</p> <p>17 Q. What kind of information would they</p> <p>18 provide you?</p> <p>19 A. Percentages of private pay and</p> <p>20 government pay.</p> <p>21 Q. Which is sort of what those questions</p> <p>22 in the bullet points are directed to; is that</p>

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<p style="text-align: right;">Page 410</p> <p>1 right?</p> <p>2 MR. WINCHESTER: Objection, form.</p> <p>3 BY MR. SISNEROS:</p> <p>4 Q. I mean they're asking for the same</p> <p>5 information that you would get from a customer</p> <p>6 for contract marketing on payor mix; is that</p> <p>7 right?</p> <p>8 A. It only says for Medicaid. It doesn't</p> <p>9 call out any other payor.</p> <p>10 Q. So you would get more information than</p> <p>11 is identified in this document; is that right?</p> <p>12 A. Yes, that's right.</p> <p>13 Q. So that's part of what you would,</p> <p>14 information that you would get from your</p> <p>15 customer?</p> <p>16 A. Yes.</p> <p>17 Q. Can you pull out No. 12.</p> <p>18 I just want to clarify a couple of</p> <p>19 things about this e-mail. I may have</p> <p>20 misunderstood, but it appears this is not from</p> <p>21 Bruce Rodman but from Michael Snouffer; is that</p> <p>22 right?</p>	<p style="text-align: right;">Page 412</p> <p>1 year moratorium, it references outpatient drug</p> <p>2 pricing. Do you see that?</p> <p>3 A. Yes.</p> <p>4 Q. Outpatient drug pricing was at least</p> <p>5 one component of how Home Infusion Services</p> <p>6 calculated reimbursement or when it billed?</p> <p>7 A. Outpatients in general are patients</p> <p>8 that are serviced outside of the hospital.</p> <p>9 Q. And in the context of HIS, Home</p> <p>10 Infusion Services, outpatient drug pricing is</p> <p>11 done by NDC; is that right?</p> <p>12 A. I don't know.</p> <p>13 Q. With respect to the, are you -- I think</p> <p>14 you described earlier that reimbursement services</p> <p>15 were done on the basis of therapy. Do you recall</p> <p>16 that testimony?</p> <p>17 A. Yes.</p> <p>18 Q. Have you ever heard of HCPCS?</p> <p>19 A. I've heard of it.</p> <p>20 Q. What is it?</p> <p>21 A. Asking me now, I think it's coding.</p> <p>22 Q. It's coding.</p>
<p style="text-align: right;">Page 411</p> <p>1 A. Yes.</p> <p>2 Q. And it appears that one of the</p> <p>3 recipients of this e-mail was Rodman, and</p> <p>4 apparently he's copied this e-mail?</p> <p>5 A. Yes.</p> <p>6 Q. And, again, I'm sorry, I'm sure you've</p> <p>7 said this, but who was Snouffer?</p> <p>8 A. The manager of reimbursement.</p> <p>9 Q. For Home Infusion?</p> <p>10 A. Home Infusion.</p> <p>11 Q. Home Infusion Services, okay. And in</p> <p>12 2000 you were director of Home Infusion Services?</p> <p>13 A. Yes.</p> <p>14 Q. And all of these folks listed here as</p> <p>15 recipients, they all worked in Home Infusion; is</p> <p>16 that right? Did I understand that correctly?</p> <p>17 A. Yes.</p> <p>18 Q. They may have had different</p> <p>19 responsibilities or different job titles, but</p> <p>20 they were all Home Infusion?</p> <p>21 A. I didn't.</p> <p>22 Q. Again, the reference to AWP on the one-</p>	<p style="text-align: right;">Page 413</p> <p>1 And by "coding" you mean it's a process</p> <p>2 that your folks would employ in doing the</p> <p>3 reimbursement services for your clientele; is</p> <p>4 that right?</p> <p>5 MR. WINCHESTER: Objection, form.</p> <p>6 THE WITNESS: That would be one of the</p> <p>7 questions on the reimbursement form, what their</p> <p>8 code was, diagnosis.</p> <p>9 BY MR. SISNEROS:</p> <p>10 Q. Diagnosis.</p> <p>11 A. Yes.</p> <p>12 Q. All right. To your knowledge, did that</p> <p>13 code have anything to do with reimbursement?</p> <p>14 A. Well, it identified which, what the</p> <p>15 diagnosis was and what the therapy was.</p> <p>16 So if you were giving somebody</p> <p>17 antibiotics and the code was for enteral feeding,</p> <p>18 then they wouldn't pay because it didn't make</p> <p>19 sense to give somebody that. So they had to</p> <p>20 coordinate with that.</p> <p>21 Q. I think earlier you testified that TPN</p> <p>22 isn't based on, reimbursement isn't based on AWP</p>

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<p style="text-align: right;">Page 414</p> <p>1 anyway; is that right?</p> <p>2 A. To my knowledge. Although in this</p> <p>3 other document it said that, but, to my</p> <p>4 knowledge, it was per diem. And maybe it changed</p> <p>5 over the years. I don't know.</p> <p>6 Q. But is it fair to say that it was your</p> <p>7 understanding that some therapies did have a</p> <p>8 basis for reimbursement in AWP?</p> <p>9 A. Yes. That was part of the formula for</p> <p>10 some of the payors.</p> <p>11 Q. And as long as you were at HIS, that</p> <p>12 was your understanding?</p> <p>13 A. At some point in time I gained that</p> <p>14 knowledge. I can't tell you from the moment I</p> <p>15 walked into the door.</p> <p>16 Q. When do you think you gained that</p> <p>17 knowledge?</p> <p>18 A. I have no idea.</p> <p>19 MR. WINCHESTER: Objection, form.</p> <p>20 (WHEREUPON Deposition Exhibit</p> <p>21 Kreklow 031 was marked as of 2/7/2008.)</p> <p>22 MR. SISNEROS: This is the only copy</p>	<p style="text-align: right;">Page 416</p> <p>1 A. No. It says Abbott has a policy of</p> <p>2 allowing Red Book to establish AWP.</p> <p>3 Q. Okay. I'm sorry. Could I see that</p> <p>4 again? Yes, that's correct.</p> <p>5 Then he references a formula that is</p> <p>6 minus five percent and plus twenty-five percent.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. But I don't see what the base point is</p> <p>10 where you take the minus five percent and plus</p> <p>11 twenty-five percent. Do you see that?</p> <p>12 A. No. It's not on here.</p> <p>13 Q. Now, do you have any reason to believe</p> <p>14 you did not get a copy of this communication?</p> <p>15 A. I don't remember getting it. I don't</p> <p>16 know.</p> <p>17 Q. Back in 1993, the date of that memo --</p> <p>18 I'm sorry. What is the date of that memo?</p> <p>19 A. December 13, '93.</p> <p>20 Q. What were you doing at that time at</p> <p>21 Abbott?</p> <p>22 A. I believe I was marketing manager.</p>
<p style="text-align: right;">Page 415</p> <p>1 we've got, and I'm going to pass this for your</p> <p>2 attorney to review and then to pass it on to you.</p> <p>3 (Document tendered to counsel and the witness.)</p> <p>4 MR. WINCHESTER: I'm pretty sure that</p> <p>5 was used in the earlier dep.</p> <p>6 MR. SISNEROS: Yeah. I think so too.</p> <p>7 But I'm just going to touch bases on it too.</p> <p>8 THE WITNESS: I remember this.</p> <p>9 BY MR. SISNEROS:</p> <p>10 Q. Could I see it a second? I'm going to</p> <p>11 give it right back to you. I'm not going to ask</p> <p>12 you any questions unless it's in front of you.</p> <p>13 For the record, Kreklow 31 is a copy of</p> <p>14 a letter dated December 13, 1993, addressed to</p> <p>15 Red Book that states it was sent via fax to</p> <p>16 someone named Lisa and seems to indicate that you</p> <p>17 were cc'd in this letter. I'm going to hand it</p> <p>18 over to you so that you can review it.</p> <p>19 A. Okay.</p> <p>20 Q. It's a letter where Mr. Heggie is</p> <p>21 telling Lisa from Red Book that it's his</p> <p>22 understanding that Abbott sets AWP.</p>	<p style="text-align: right;">Page 417</p> <p>1 Q. In ASPS?</p> <p>2 A. Yes.</p> <p>3 Q. And this would have been product sales,</p> <p>4 not Home Infusion.</p> <p>5 A. Right.</p> <p>6 Q. And Mr. Heggie was in another business</p> <p>7 unit; is that right?</p> <p>8 A. Yes.</p> <p>9 Q. He was still in Home Infusion?</p> <p>10 A. Right.</p> <p>11 Q. And he was reimbursement?</p> <p>12 A. Right.</p> <p>13 Q. In that letter to Lisa for some reason</p> <p>14 he's included you if there are any questions</p> <p>15 while he is out, direct questions to you. Is</p> <p>16 that a fair statement, what he's saying in there?</p> <p>17 A. Not any questions. If he's not there,</p> <p>18 to call me and give me the verified AWP.</p> <p>19 So that's not a question. That's to</p> <p>20 say if that formula that he used is correct or</p> <p>21 not.</p> <p>22 Q. Did you ever get verified AWP's from any</p>

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<p style="text-align: right;">Page 418</p> <p>1 pricing compendia like Red Book or First Data 2 Bank? 3 A. No. 4 Q. Why would Mr. Heggie be directing that 5 verified AWP be directed to you if you weren't 6 around? 7 MR. WINCHESTER: Objection, asked and 8 answered, also calls for speculation. 9 THE WITNESS: I don't know why he said 10 this. 11 BY MR. SISNEROS: 12 Q. Would you agree that -- well, let me 13 ask you, do you have any reason to believe that 14 you did not receive this? 15 A. No. Neither way, that I received it or 16 not received it, because I don't remember it. 17 So, no, I don't have any feeling one way or 18 another. 19 Q. In 1993 would you have understood that 20 AWP was a basis for reimbursement? 21 A. Not to my recollection. It wasn't 22 important to me.</p>	<p style="text-align: right;">Page 420</p> <p>1 Q. Again, this is one of those documents I 2 saw today, and this is the only copy. I'll pass 3 it to your attorney who will give it to you. 4 (Document tendered to counsel and the witness.) 5 A. Oh, yes. I saw this. 6 Q. Today? 7 A. Yes. 8 Q. Oh, I'm sorry. Well, I know there was 9 another one -- 10 A. Oh, it was another one. Different 11 date. 12 MS. ST. PETER-GRIFFITH: That's the 13 2001 one. 14 MR. SISNEROS: 2002 I believe; isn't 15 it? 16 THE WITNESS: It's a 2001 goal. 17 MR. SISNEROS: Oh, okay. 18 BY MR. SISNEROS: 19 Q. If you look on the second page in the, 20 I think you were on the correct page right there, 21 yes, right there, on the Comment section there's 22 a comment about you revamped reimbursement. Do</p>
<p style="text-align: right;">Page 419</p> <p>1 Q. Okay. I can appreciate that you're 2 saying it wasn't important to you, but that's not 3 really my question. 4 I guess what I'm asking, whether it was 5 important to you or not, in 1993 would you have 6 had a knowledge that AWP was tied to 7 reimbursement? 8 A. I can't remember if I knew that then or 9 not. 10 Q. Do you have any recollection of knowing 11 that before you went to HIS? 12 A. That it was used in reimbursement -- 13 Q. Yes. 14 A. When I talked to Dave Brincks. 15 Q. Were you already in HIS when you talked 16 to Dave Brincks? 17 A. No. 18 MR. SISNEROS: Here's another document 19 that wasn't, if I could have it marked again. 20 (WHEREUPON Deposition Exhibit 21 Kreklow 032 was marked as of 2/7/2008.) 22 BY MR. SISNEROS:</p>	<p style="text-align: right;">Page 421</p> <p>1 you see that? 2 A. Yes. 3 Q. Now, is that something you wrote into 4 that form? 5 A. Yes. 6 Q. This was something that was reviewed by 7 Robertson, Mr. Robertson or Mr. Sellers? 8 A. Don did. 9 Q. And Mr. Robertson was the president of 10 all those business units? What division did he 11 head? 12 A. Vice president of Alternate Site. 13 Q. Vice president of Alternate Site. 14 He wasn't your direct supervisor; was 15 he? 16 A. At one point in time he was. 17 Q. Do you think he was your direct 18 supervisor at that point in time? 19 A. He must have been or I wouldn't have 20 given it to him. 21 Q. And in there you wrote that you 22 revamped reimbursement; is that right?</p>

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<p style="text-align: right;">Page 422</p> <p>1 A. Yes.</p> <p>2 Q. Could you read for the record exactly</p> <p>3 what you wrote in there?</p> <p>4 A. Revamped reimbursement and cash app.</p> <p>5 processes to react to market setbacks.</p> <p>6 Q. What market setbacks are you talking</p> <p>7 about?</p> <p>8 A. I don't remember. I don't remember</p> <p>9 what I did here.</p> <p>10 Q. Okay. Well, my question was how did</p> <p>11 you revamp reimbursement?</p> <p>12 A. I don't remember what I did there. I</p> <p>13 don't remember how I changed it.</p> <p>14 I don't remember if I had different</p> <p>15 people working on different accounts, if that's</p> <p>16 what I did, if I cleaned house and moved people</p> <p>17 around. At one point in time I did that. I</p> <p>18 don't know if that's referring to this or not.</p> <p>19 Q. What do you mean you cleaned house and</p> <p>20 moved people around?</p> <p>21 A. I made sure that we had the best people</p> <p>22 there.</p>	<p style="text-align: right;">Page 424</p> <p>1 Q. What is cash application department?</p> <p>2 A. That's when, and I don't know exactly</p> <p>3 what they did, I never saw what their paper was,</p> <p>4 but they would work and take the percentages that</p> <p>5 we got in dollars and apply it to specific</p> <p>6 accounts.</p> <p>7 Q. Percentages of dollars, are you talking</p> <p>8 about sales?</p> <p>9 A. Well, I guess you could call it sales.</p> <p>10 But the percent that we received for the therapy</p> <p>11 that the patient received, what was reimbursed we</p> <p>12 got a percentage of the reimbursement. That</p> <p>13 information was sent over to cash app., and cash</p> <p>14 app. applied it to the specific client.</p> <p>15 Q. Okay. With respect to your statement</p> <p>16 there in one sentence that you revamped</p> <p>17 reimbursement linking it to setbacks, what do you</p> <p>18 mean by "setbacks"?</p> <p>19 A. I don't know. I don't know what that</p> <p>20 means.</p> <p>21 Q. Do you believe that revamping</p> <p>22 reimbursement in the business unit -- well,</p>
<p style="text-align: right;">Page 423</p> <p>1 Q. Was there a time where you moved people</p> <p>2 out because you didn't have the best people in</p> <p>3 reimbursement?</p> <p>4 A. There was a time when someone was</p> <p>5 taking a lot of time off.</p> <p>6 Q. Are we talking about issues that don't</p> <p>7 relate to the ability to be a reimbursement</p> <p>8 specialist?</p> <p>9 A. Yes.</p> <p>10 Q. You're talking about personnel issues</p> <p>11 that have nothing to do with job duty?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. When you used the term "revamped</p> <p>14 reimbursement," are you talking about changing</p> <p>15 people out of positions or changing the whole</p> <p>16 process of reimbursement?</p> <p>17 A. It was the people, the people and I</p> <p>18 seem to remember it had something to do with</p> <p>19 communication between the reimbursement</p> <p>20 department and the cash app. department.</p> <p>21 Q. The cash app. department?</p> <p>22 A. The cash application.</p>	<p style="text-align: right;">Page 425</p> <p>1 strike that.</p> <p>2 In 2001 you were director of HIS;</p> <p>3 right?</p> <p>4 A. Yes.</p> <p>5 Q. So in 2001 I guess Robertson was your</p> <p>6 direct supervisor; right?</p> <p>7 A. Yes.</p> <p>8 Q. So in terms of the chain of command at</p> <p>9 Abbott's Home Infusion Services, you were pretty</p> <p>10 much at the top of the pile. Only Robertson was</p> <p>11 above you; correct?</p> <p>12 A. Yes.</p> <p>13 Q. And in your evaluation you've written</p> <p>14 one of the high points for that year is that you</p> <p>15 revamped reimbursement in your business unit.</p> <p>16 A. It says I revamped reimbursement and</p> <p>17 cash app. processes. And that was the</p> <p>18 communication process between the two groups.</p> <p>19 Q. What had been the problem between the</p> <p>20 two groups?</p> <p>21 A. Cash application was not receiving the</p> <p>22 information from reimbursement in a timely</p>

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<p style="text-align: right;">Page 426</p> <p>1 manner, so we couldn't apply it to an account. 2 Q. So you weren't crediting payment on 3 accounts? Is that the problem? Accounts weren't 4 being -- 5 A. We were crediting it, but not fast 6 enough in my estimation. 7 Q. Is that the problem, the setback you're 8 talking about? 9 A. Yes. That was the whole issue that I'm 10 referring to here. It was the communication 11 between the two groups. 12 Q. So now you do have a recollection of 13 what the setback is? 14 A. Well, I don't know what "market 15 setback" means. I don't know what that means. I 16 do know what revamp reimbursement and cash app. 17 processes mean. 18 Q. Well, the problem that you've been 19 describing between these two sections within your 20 business unit, is that to you a market setback? 21 A. No. 22 Q. A market setback would signify a more</p>	<p style="text-align: right;">Page 428</p> <p>1 STATE OF ILLINOIS) 2 COUNTY OF C O O K) 3 I, Donna M. Kazaitis, RPR, CSR No. 4 084-003145, do hereby certify: 5 That the foregoing deposition of KARLA 6 KREKLOW was taken before me at the time and place 7 therein set forth, at which time the witness was 8 put under oath by me; 9 That the testimony of the witness and all 10 objections made at the time of the examination 11 were recorded stenographically by me, were 12 thereafter transcribed under my direction and 13 supervision and that the foregoing is a true 14 record of same. 15 I further certify that I am neither counsel 16 for nor related to any party to said action, nor 17 in any way interested in the outcome thereof. 18 IN WITNESS WHEREOF, I have subscribed my name 19 this 18th day of February, 2008. 20 21 _____ 22 Donna M. Kazaitis, RPR, CSR 084-003145</p>
<p style="text-align: right;">Page 427</p> <p>1 serious problem? 2 A. I don't know what I meant when I wrote 3 this seven years ago. 4 MR. WINCHESTER: She's got to go, 5 Eliseo. I know you're not done but it's 6:00. 6 We need to get her out of here. 7 MR. SISNEROS: Okay. We'll adjourn the 8 deposition. 9 THE VIDEOGRAPHER: We are off the 10 record at 6:00 o'clock p.m. with the conclusion 11 of today's deposition of Karla Kreklow. 12 (WHEREUPON said deposition was so 13 adjourned.) 14 15 _____ 16 KARLA KREKLOW 17 18 Subscribed and sworn to and before me 19 this _____ day of _____, 20____. 20 21 _____ 22 Notary Public</p>	

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